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# PROSPECTIVELY CURING INEQUITABLE CONDUCT THROUGH REISSUE: RECONSIDERING A “WELL-SETTLED PRINCIPLE”

Daniel A. Klein†

## *Abstract*

*Inequitable conduct is an equitable doctrine that renders a patent unenforceable upon a finding that the patentee has breached the duty of candor and good faith owed to the U.S. Patent and Trademark Office during prosecution of a patent application. In Aventis Pharma S.A. v. Amphastar Pharmaceuticals, the Court of Appeals for the Federal Circuit held that Aventis's asserted patent was unenforceable for inequitable conduct. However, prior to filing its infringement action, Aventis had filed an application to reissue its patent, and in its reissue application had disavowed reliance on the very statements on which the assertion of inequitable conduct was based. The reissue patent issued prior to the trial court's judgment, but the court simply extended the judgment of unenforceability of the original patent to the reissue patent. The Federal Circuit affirmed, citing the “well-settled principle” that a reissue proceeding cannot rehabilitate a patent held to be unenforceable due to inequitable conduct.*

*The Aventis court dispensed with the significance of the reissue patent with no more than a footnote. However, a careful reading of the opinions cited by the court reveals that the majority improperly relied on dicta to announce a principle broader than the precedent warrants. The Federal Circuit's statements on this issue in earlier, uncited opinions similarly demonstrate a misreading of precedent. Moreover, not only is the public interest served by allowing patentees to prospectively cure “inequitable” conduct in post-grant proceedings, but the Aventis rule may actually encourage behavior*

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*the law should work to dissuade. Consideration of the timing of relevant events leads to a framework in which patentees are permitted to employ reissue to cure conduct—specifically, omissions and misrepresentations—that would otherwise be judged inequitable conduct, under limited circumstances. Application of the proposed analysis might have lead to a different result in Aventis and other cases, and should lead to a more just result for both the public and the patentee in future actions.\**

## I. INTRODUCTION

Inequitable conduct is an equitable doctrine that renders a patent unenforceable upon a finding that the patentee has breached the duty of candor and good faith owed to the U.S. Patent and Trademark Office (“PTO”) during prosecution of a patent application.<sup>1</sup> The duty of candor includes the requirement to submit to the PTO information material to patentability of a pending claim,<sup>2</sup> and a holding of inequitable conduct can be based on the failure to disclose such information to the PTO, if the applicant acted with deceptive intent.<sup>3</sup> Moreover, the duty is owed not only by the applicant, *i.e.*, the named inventor(s), but also by “[e]ach attorney or agent who prepares or prosecutes the application; and [e]very other person who is substantively involved in the preparation or prosecution of the application and who is associated with the inventor, with the assignee or with anyone to whom there is an obligation to assign the application.”<sup>4</sup>

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\* While this article was in press, legislation was proposed that included a supplementary (re)examination procedure whereby art submitted to the PTO and determined to have no effect on patentability would be precluded from serving as the basis of an inequitable conduct claim, provided the reexamination concluded prior to litigation. See <http://judiciary.senate.gov/legislation/upload/PatentReformAmendment.pdf>, accessed May 11, 2010.

1. For discussions of the origin and evolution of the doctrine, see Robert J. Goldman, *Evolution of the Inequitable Conduct Defense in Patent Litigation*, 7 HARV. J.L. & TECH. 37 (1993); Robert A. Migliorini, *Lessons for Avoiding Inequitable Conduct and Prosecution Laches in Patent Prosecution and Litigation*, 46 IDEA 221, 222-32 (2006).

2. See 37 C.F.R. § 1.56(a) (2009).

3. “A breach of [the duty of candor] may constitute inequitable conduct, which can arise from an affirmative misrepresentation of a material fact, failure to disclose material information, or submission of false material information, coupled with an intent to deceive or mislead the PTO.” *Purdue Pharma L.P. v. Endo Pharm.*, 438 F.3d 1123, 1128 (Fed. Cir. 2006) (citations omitted).

4. 37 C.F.R. § 1.56(c) (2009).

In *Aventis Pharma S.A. v. Amphastar Pharmaceuticals*, the Court of Appeals for the Federal Circuit affirmed the district court's holding that Aventis's asserted patent was unenforceable for inequitable conduct.<sup>5</sup> The conduct in question consisted of the failure to disclose certain information concerning data and associated assertions contained in the patent's specification and in declarations submitted during prosecution.<sup>6</sup> Finding these omissions intentional, and that but for the intentional omissions the patent would likely not have issued, the district court held the patent unenforceable.<sup>7</sup>

Prior to filing its infringement action, Aventis filed an application to reissue its patent.<sup>8</sup> In its reissue application, Aventis expressly disavowed reliance on all arguments proffered during prosecution of the original patent that were based on the data in question.<sup>9</sup> The reissue patent issued one day before the district court's order, and the court extended the judgment of unenforceability of the original patent to the reissue patent.<sup>10</sup> The Federal Circuit affirmed, citing the "well-settled principle . . . that a reissue proceeding cannot rehabilitate a patent held to be unenforceable due to inequitable conduct."<sup>11</sup>

This article examines the *Aventis* court's opinion that the judgment of unenforceability of the original patent automatically extended to the reissue patent, and concludes that the court was in error. Section II of the article reviews the facts and critiques the reasoning behind the holding of inequitable conduct in *Aventis*. Section III considers under what circumstances a patentee should be able to prospectively cure conduct that otherwise would be held inequitable conduct. Section IV examines how the outcome might have been different in *Aventis* and other cases had the court followed this article's reasoning. Section V briefly summarizes the conclusions drawn.

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5. *Aventis Pharma S.A. v. Amphastar Pharm., Inc.*, 525 F.3d 1334, 1349 (Fed. Cir. 2008), *cert. denied*, 129 S. Ct. 2053 (2009).

6. *See id.* at 1340-1341.

7. *Id.* at 1343.

8. *See Aventis Pharm. v. Amphastar Pharm.*, 176 F. App'x. 117, 119 n.1, 2006 WL 925278 at \*2 n.1 (Fed. Cir. 2006).

9. *Id.*; *see also infra* note 31.

10. *Aventis*, 525 F.3d at 1341 n.6.

11. *Id.*

II. INEQUITABLE CONDUCT IN *AVENTIS V. AMPHASTAR*A. *The '618 Patent*

Aventis markets the drug LOVENOX<sup>®</sup>, useful for preventing thromboses (blood clotting) while minimizing the possibility of hemorrhaging, especially during high-risk surgery.<sup>12</sup> Amphastar and Teva each filed an Abbreviated New Drug Application ("ANDA") in order to obtain approval from the Food and Drug Administration ("FDA") to market a generic version of LOVENOX<sup>®</sup>.<sup>13</sup> Consequently, Aventis sued both parties for infringement of U.S. Patent No. 5,389,618 ("the '618 patent"), listed in the FDA's Orange Book for LOVENOX<sup>®</sup>.<sup>14</sup>

The defendants' ANDAs contained a paragraph IV certification<sup>15</sup> alleging, *inter alia*, that the '618 patent was unenforceable due to inequitable conduct.<sup>16</sup> The assertion of inequitable conduct (with which the district court agreed) was premised on Example 6 of the '618 patent's specification and statements concerning Example 6 by declarant Dr. André Uzan.<sup>17</sup> The '618 patent is directed to a composition comprising low molecular weight heparins ("LMWHs").<sup>18</sup> Example 6, prepared with the assistance of Dr. Uzan, "illustrates the increase in stability, in vivo, of the mixtures of the invention, expressed by their plasma half-life."<sup>19</sup> During prosecution of the '618 patent, the Examiner required Aventis to provide evidence of some unexpected or unobvious property of the claimed composition in order to overcome the PTO's obviousness rejection.<sup>20</sup> Relying on Example 6, Aventis argued that the claimed LMWHs exhibit a significantly longer half-life than formulations prepared according to cited European Patent No. 40,144 ("EP '144").<sup>21</sup> During prosecution, Dr. Uzan additionally submitted two declarations

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12. *Id.* at 1337.

13. *Id.* at 1340.

14. *Id.* at 1340-41.

15. The statutory scheme governing patent challenges by prospective generic drug manufacturers has been described elsewhere. *See, e.g.,* *Teva Pharm. v. Pfizer*, 395 F.3d 1324, 1327-28 (Fed. Cir. 2005).

16. *Aventis*, 525 F.3d at 1340-41.

17. *See id.* at 1346 n.8.

18. *Id.* at 1337.

19. *Id.* at 1338.

20. *Id.* The PTO also rejected the claims as anticipated, and Example 6 was relied on in part to overcome this rejection as well. *Id.* at 1339.

21. *Id.* at 1338.

containing assertions of superior half-life of the claimed composition compared to the EP '144 composition.<sup>22</sup> Following the second declaration, the application was allowed and the '618 patent was granted.<sup>23</sup>

The defendants' allegation of inequitable conduct focused on Dr. Uzan's failure to disclose that the half-life studies comparing the claimed composition to the EP '144 composition were conducted at different doses.<sup>24</sup> In an earlier decision, the Federal Circuit had agreed that the omission was material to patentability,<sup>25</sup> but remanded to the district court to determine whether there was deceptive intent by Aventis in failing to disclose the difference in dosages.<sup>26</sup> On remand, the district court again found the intent to deceive the PTO required to sustain the holding of inequitable conduct.<sup>27</sup> The court rejected Aventis's explanations for Dr. Uzan's failure to disclose the dose of the EP '144 composition in the half-life comparisons, namely, that comparison of half-lives at different doses was reasonable, and that the failure to disclose was inadvertent.<sup>28</sup> Holding that the district court did not clearly err in finding deceptive intent, and rejecting other explanations proffered by Aventis on appeal, the Federal Circuit affirmed the judgment of unenforceability for inequitable conduct.<sup>29</sup>

### *B. The Re '743 Patent*

Prior to filing its action for infringement, Aventis filed an application to reissue the '618 patent.<sup>30</sup> The reissue application expressly disavowed any reliance on Example 6 and the portions of

22. *Id.* at 1339-40.

23. *Id.* at 1340.

24. *Id.* at 1341.

25. "Aventis never disclosed during prosecution that it derived the half-life data for the EP 40,144 LMWH at a 60 mg dose. The half-life comparisons were highly material to patentability. . . . The failure to disclose . . . denied the examiner an opportunity to determine whether the differences in half-lives between the Debie and EP 40,144 compounds were significant. Therefore, an omission that would have revealed that the difference in half-lives was actually much smaller was material to patentability. . . . Given the centrality of the differences in half-lives to patentability, by failing to disclose the dosage of the 60 mg compound or to disclose that the difference in half-lives at the same dosage was actually lower, Aventis failed to disclose material information to the PTO." *Aventis Pharm. v. Amphastar Pharm.*, 176 F. App'x. 117, 120, 2006 WL 925278 at \*3 (Fed. Cir. 2006).

26. *Aventis*, 525 F.3d at 1337.

27. *Id.* at 1342-43.

28. *Id.*

29. *Id.* at 1349.

30. *See Aventis*, 176 F. Appx. at 119 n.1, 2006 WL 925278 at \*2 n.1.

Dr. Uzan's declarations relating to Example 6.<sup>31</sup> The PTO allowed the application, presumably without relying on the half-life data from Example 6.<sup>32</sup> One day before the district court issued its order holding the '618 patent unenforceable, Aventis's reissue application issued as U.S. Patent No. Re 38,743 ("the Re'743 patent").<sup>33</sup> The district court granted Aventis's motion to substitute the Re'743 patent for the '618 patent, and amended its holding of unenforceability of the '618 patent to apply to the Re'743 patent.<sup>34</sup> The Federal Circuit approved of the district court's decision, stating that "[i]n so holding, the district court relied on the well-settled principle articulated in *Hoffman-La Roche Inc. v. Lemmon Co.* that a reissue proceeding cannot rehabilitate a patent held to be unenforceable due to inequitable conduct."<sup>35</sup>

### C. The Majority's Reasoning

The *Aventis* majority cited only one case—*Hoffman-La Roche, Inc. v. Lemmon Co.*—to support the "well-settled principle" that a reissue proceeding cannot rehabilitate a patent held to be unenforceable due to inequitable conduct.<sup>36</sup> In *Hoffman-La Roche*, the Federal Circuit considered an appeal from the holding of unenforceability for inequitable conduct of Hoffman-La Roche's U.S. Patent No. Re 28,636 ("the Re'636 patent").<sup>37</sup> The district court had held that inequitable conduct had been committed both during prosecution of the original patent and during prosecution of the Re'636 patent.<sup>38</sup> During the original prosecution, certain references deemed material had not been submitted to the PTO, references of

31. Prior to any examination, the Applicant stated: "Upon filing the reissue application, Applicant deleted Example 6 from the specification. Example 6, providing half-life results from clinical studies using low molecular weight heparin compositions in human volunteers, appeared to contain several errors. . . . Further investigation has revealed that the study recited in ¶ 3 of Example 6 may not have involved a mixture outside the scope of the claims. For at least those reasons, Applicant is not relying on Example 6 or any statement or argument based on Example 6 in the prosecution of the '618 patent, including portions of the [two] Uzan declarations relating to Example 6." U.S. Patent Appl. No. 10/430,435, Preliminary Amendment, filed Nov. 26, 2003.

32. See U.S. Patent Appl. No. 10/430,435, Notice of Allowance and Fee(s) Due, mailed Dec. 16, 2004.

33. *Aventis*, 525 F.3d at 1341 n.6.

34. *Id.*

35. *Id.* (citations omitted).

36. See *id.*

37. See *Hoffman-La Roche, Inc. v. Lemmon Co.*, 906 F.2d 684 (Fed. Cir. 1990).

38. *Id.* at 688.

which the examiner was aware during reissue prosecution.<sup>39</sup> On reissue, the failure to disclose information concerning the relationship between Hoffman-La Roche and its parent company, and concerning procedures they employed, were held to be material omissions.<sup>40</sup> The Federal Circuit held that the district court had applied the incorrect standard in its determination that there was intent to deceive with respect to both prosecutions.<sup>41</sup> Accordingly, the court vacated the judgment of inequitable conduct and remanded to the district court to decide whether there was intent to deceive using the proper standard.<sup>42</sup>

The court then continued:

If the district judge finds that there was inequitable conduct during the original patent prosecution, then this court directs the district judge's attention to footnote 7 in *Hewlett-Packard* that said:

it is well settled that, in the reverse case of inequitable conduct during prosecution of the original application, reissue is not available to obtain new claims and thereby rehabilitate the patent. (citation omitted) (reissue unavailable to rescue patentee who committed inequitable conduct during original prosecution.)

*Hewlett-Packard*, 882 F.2d at 1563-64 n.7, 11 USPQ2d at 1756 n.7. Thus, if the district court finds that there was inequitable conduct in the prosecution of the original patent then the reissue patent is invalid and an appropriate judgment should be entered.<sup>43</sup>

Because at this point there was no longer a holding of inequitable conduct to review, the court's direction constitutes *dictum*. That fact notwithstanding, the cited passage stands as a clear statement of the court's understanding of the ability—or, rather, the lack of ability—to utilize reissue to prospectively cure a material omission that later gives rise to a holding of inequitable conduct, particularly in view of the fact that the references withheld during original prosecution were known to the examiner during reissue. According to the court's citation above, that understanding arose from its own analysis in *Hewlett-Packard*.

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39. *Id.* at 687.

40. *Id.*

41. *Id.* at 688.

42. *Id.*

43. *Id.* at 688-89 (alteration in original).



In *Hewlett-Packard*, the Federal Circuit considered the district court's holding that Bausch & Lomb's reissue patent was unenforceable for inequitable conduct.<sup>44</sup> In that case the PTO had rejected the reissue application as improper for specifying neither an error warranting reissue nor how the error occurred.<sup>45</sup> Hewlett-Packard based its allegation of inequitable conduct on two affidavits submitted to overcome this rejection by the patent agent who prosecuted Bausch & Lomb's original patent application.<sup>46</sup>

Thus, there was no allegation in *Hewlett-Packard* that inequitable conduct had been committed during prosecution of the *original* patent. Rather, the court addressed whether the district court had applied the correct legal standard in holding that Bausch & Lomb had committed inequitable conduct during prosecution of the *reissue* application, and whether all claims of the reissue patent would be held unenforceable if inequitable conduct were found on remand.<sup>47</sup> On these issues the court held that "with respect to inequitable conduct, it is appropriate to give the same extent of unenforceability to a reissue patent as to an original patent and that the same level of misconduct is required in both instances."<sup>48</sup> It is this sentence to which the court attached footnote 7, above, on which the *Hoffman-La Roche* court relied. However, because *Hewlett-Packard* considered only inequitable conduct committed during reissue prosecution, the statement in the vaunted footnote is mere *dictum* with respect to the applicant's conduct during prosecution of the original patent. To find the basis for this statement one must look to the case whose citation was omitted by the *Hoffman-La Roche* court in its reproduction of footnote 7.

In *In re Clark*, the Court of Customs and Patent Appeals considered a decision from the PTO Board of Appeals affirming the examiner's rejection of all the claims remaining in a reissue application.<sup>49</sup> Clark had filed the reissue application after the Court of Appeals for the Fifth Circuit found that he had not satisfied his duty of disclosure to the PTO because he withheld material prior art, namely, a document referred to as the "Stow reference."<sup>50</sup> The

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44. *Hewlett-Packard Co. v. Bausch & Lomb, Inc.*, 882 F.2d 1556, 1558 (Fed. Cir. 1989).

45. *Id.* at 1559.

46. *Id.*

47. *Id.* at 1558, 1562-64.

48. *Id.* at 1563.

49. *See In re Clark*, 522 F.2d 623 (C.C.P.A. 1975).

50. *Id.* at 624.

examiner considered this fact to be sufficient basis for determining that the application did not satisfy the requirement of 35 U.S.C. § 251 that any defect to be corrected in the patent occur without deceptive intent.<sup>51</sup> Additionally, the examiner did not consider the statement in the reissue oath—"to amend certain claims in order to make more explicit structural features already implicit in those claims"—to be a proper basis for seeking reissue.<sup>52</sup>

The *Clark* court made abundantly clear the narrow scope of their inquiry: "[t]his opinion is sharply focused on the single question of whether appellant has presented a good case for reissue of his patent under § 251."<sup>53</sup> Unable to identify in the reissue declaration any assertion of defectiveness in the specification, drawing or claims, the court considered whether the failure to disclose the Stow reference constituted a proper basis for reissue.<sup>54</sup> More specifically, the court considered whether the *holding of unenforceability for inequitable conduct* based on the failure to disclose the Stow reference was a proper basis for reissue:

Appellant has pointed to no error on his part but only to alleged error by the Fifth Circuit Court of Appeals. . . . The failure to disclose Stow et al. to the examiner resulted in the Fifth Circuit deeming appellant's patent to be invalid, and it is this act, *whether the Fifth Circuit was correct or not*, which impelled appellant to seek a reissue.<sup>55</sup>

The fact that the reissue application had been filed *after* the Fifth Circuit's decision was critical to the *Clark* court's holding:

Reissue is not available to rescue a patentee who had presented claims limited to avoid particular prior art and then had failed to disclose that prior art (the examiner not having cited it) *after that failure to disclose has resulted in the invalidating of the claims*. The sole goal of appellant in soliciting a reissue is to have the examiner re-examine his claims in light of the reference he

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51. *Id.*

52. *Id.*

53. *Id.* at 625.

54. *Id.* at 626.

55. *Id.* (emphasis in original). Here and below, in contemporary parlance the court should be understood to mean *unenforceability* when the opinion refers to *invalidity* resulting from breach of the duty of candor. See *J.P. Stevens & Co. v. Lex Tex, Ltd.*, 747 F.2d 1553, 1560-61 (Fed. Cir. 1984).

originally failed to disclose in order, apparently, to relieve him of the *consequences of his failure*.<sup>56</sup>

Lest there be any doubt as to that criticality, the court clarified: “This case does not require us to decide, and *we do not decide, whether it is proper to seek reissue* in order to disclose uncited prior art *where no holding of invalidity has arisen* from the patentee’s failure to have disclosed the prior art.”<sup>57</sup>

Thus, as the *Aventis* majority stated, a reissue proceeding cannot rehabilitate a patent *held to be unenforceable* due to inequitable conduct. However, because *Aventis*’s application for reissue was filed prior to the district court’s judgment—and, in fact, the reissue patent issued before the judgment was rendered—this “well-settled principle,” as articulated in *Clark*, simply does not address, let alone decide, the propriety of the court’s refusal to consider whether the reissue application cured the material omission on which the holding of inequitable conduct was based.

### III. CONSIDERATION OF REISSUE TO CURE CONDUCT DEEMED INEQUITABLE

As the *Aventis* majority noted, it is indeed a well-settled principle that one cannot utilize reissue to rehabilitate a patent held unenforceable due to inequitable conduct. Thus, the title of this article is arguably misleading insofar as “inequitable conduct”—which is not merely conduct but rather a court’s judgment regarding a patentee’s conduct<sup>58</sup>—cannot be cured. However, the question presented to, but not addressed by, the *Aventis* court was whether reissue may be used prospectively, *i.e.*, prior to judgment, to cure conduct that would otherwise later be deemed to have been inequitable. Addressing this question is the subject of the present section.

#### A. Materiality

As the Federal Circuit has explained, there are two prongs of inquiry into an allegation of inequitable conduct: materiality and

56. *Clark*, 522 F.2d at 627 (emphasis added).

57. *Id.* at 627 n.4 (emphasis added).

58. “Once the requisite levels of materiality and intent have been proven, a *district court must balance the equities to determine whether the patentee has committed inequitable conduct that warrants holding the patent unenforceable.*” *Monsanto Co. v. Bayer Bioscience N.V.*, 514 F.3d 1229, 1234 (Fed. Cir. 2008) (emphasis added).

intent.<sup>59</sup> During the past sixty years, the courts have articulated five different tests of materiality: (1) the objective “but for” standard, according to which the misrepresentation was so material that the patent should not have issued; (2) the subjective “but for” standard, according to which the misrepresentation actually caused the examiner to approve the patent application when he would not otherwise have done so; (3) the “but it may have” standard, according to which the misrepresentation may have influenced the patent examiner in the course of prosecution; (4) the “reasonable examiner” standard, according to which information is material where there is a substantial likelihood that a reasonable examiner would consider it important in deciding whether to allow the application to issue as a patent; and (5) the Rule 56 standard, according to which information is material when it is not cumulative to information already of record or being made of record in the application, and (a) it establishes, by itself or in combination with other information, a *prima facie* case of unpatentability of a claim, or (b) it refutes, or is inconsistent with, a position the applicant takes in (i) opposing an argument of unpatentability relied on by the PTO, or (ii) asserting an argument of patentability.<sup>60</sup>

The court recently clarified that if a misstatement or omission is deemed material under at least one of the five tests, it is relevant for the purpose of determining whether the patentee committed inequitable conduct.<sup>61</sup> Of course, if a misstatement or omission is not deemed material under any of the five tests, it is not relevant in an inquiry into inequitable conduct.

### *B. Proper Basis for Reissue*

A reissue application may be filed when a patent is “deemed wholly or partly inoperative or invalid, by reason of a defective specification or drawing, or by reason of the patentee claiming more or less than he had a right to claim in the patent.”<sup>62</sup> The error in question—and in fact all errors to be corrected in the reissue—must have arisen without deceptive intent.<sup>63</sup>

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59. *Digital Control v. Charles Mach. Works*, 437 F.3d 1309, 1313 (Fed. Cir. 2006).

60. *Id.* at 1315-16.

61. *Id.* at 1316.

62. 35 U.S.C. § 251 (2006).

63. *Id.*; 37 C.F.R. §§ 1.175(a)(2), (b)(1)–(2) (2009).

A thorough review of proper bases for reissue is beyond the scope of this article. However, for the present purposes it is necessary to address the question posed by the *Clark* court: whether it is proper to seek reissue in order to disclose uncited prior art where no holding of unenforceability has arisen from the patentee's failure to have disclosed the art. There are two aspects to this question.

First, there is the question of whether the failure to disclose art *alone* can serve as the basis for a reissue application. It is difficult to imagine how this question could be answered in the affirmative. The concept of "error" correctable by reissue has been construed liberally,<sup>64</sup> but it has not been understood to encompass mere review of information without amendment.<sup>65</sup> Furthermore, as noted above, 35 U.S.C. § 251 requires the reissue applicant to assert that a patent is wholly or partly inoperative or invalid.<sup>66</sup> The failure to disclose art *per se* cannot render a patent invalid or inoperative.<sup>67</sup>

On this question it is instructive to compare reissue under § 251 with the short-lived "no-defect" reissue, previously available under 37 C.F.R. § 1.175(a)(4). This procedure enabled patentees to

have their claims considered in light of new prior art *without amending the claims or specification* and without including in the reissue oath a statement of belief, otherwise required by 35 U.S.C. § 251, that the original patent was "wholly or partly inoperative or invalid". Though the reissue application would be rejected for failure to comply with § 251, the record of prosecution would indicate the PTO's evaluation of the prior art and thereby assist a district court.<sup>68</sup>

As stated, the no-defect reissue application would be rejected under § 251. Consequently, no reissue patent could be granted on a no-

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64. See generally R. CARL MOY, *MOY'S WALKER ON PATENTS* § 16:98 *et seq.* (4th ed. 2008).

65. See, e.g., *In re Dien*, 680 F.2d 151, 153 n.4 (C.C.P.A. 1982) ("The purpose of reissue under 35 USC 251 . . . being to correct a defect in a patent, it goes without saying that reissue of a patent in identical form with the original patent is not a possibility."); see also 37 C.F.R. § 1.177(c) ("No reissue application containing only unamended patent claims and not correcting an error in the original patent will be passed to issue by itself.") (addressing multiple reissue applications).

66. See 35 U.S.C. § 251 (2006).

67. A judgment of inequitable conduct notwithstanding, of course, but subsequent reissue in such a case would be barred by *Clark*.

68. *J.P. Stevens & Co. v. Lex Tex, Ltd.*, 747 F.2d 1553, 1558 n.2 (Fed. Cir. 1984) (emphasis added); see also *In re Fotland*, 779 F.2d 31, 32 (Fed. Cir. 1985).

defect reissue application.<sup>69</sup> This proceeding was deemed nothing more than the issuance of an advisory opinion and was conclusively determined not to be a reissue under 35 U.S.C. § 251,<sup>70</sup> and after several years, the proceeding was eliminated.<sup>71</sup> Thus, the mere failure to disclose art without a concession that the art necessitates an amendment could serve as the basis for a no-defect reissue, which would not proceed under § 251. However, such an omission does not constitute “error” within the meaning of § 251.

Second, there is the question of whether reissue is a proper mechanism to obtain PTO review of information (a term intended to be broader than “prior art”) not submitted during prosecution if there is a separate, independent basis for reissue. For example, suppose that during a post-issuance review the patentee discovers (1) that reference A, which was known to the patentee<sup>72</sup> during prosecution, should have been submitted to the PTO but does not necessitate an amendment; and (2) that reference B, which was not known to the patentee during prosecution, should be submitted to the PTO and does necessitate an amendment. If the patentee files a reissue application amending the claims to avoid reference B, and also citing reference A merely in compliance with the duty of disclosure,<sup>73</sup> is it proper for the PTO to consider reference A? The patentee has satisfied the statutory requirement of alleging inoperability of the patent through error without deceptive intention,<sup>74</sup> and he is therefore entitled to examination of the reissue application in the same manner as any non-provisional application, which includes consideration of all information properly submitted to the PTO.<sup>75</sup>

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69. *Dien*, 680 F.2d at 155 (“[N]o reissue patent will be granted, at least until the happening of future events in accordance with 35 USC § 251 which would justify it.”); *Fotland*, 779 F.2d at 34.

70. *Dien*, 680 F.2d at 154-55; *Fotland*, 779 F.2d at 34.

71. *Dien*, 680 F.2d at 155.

72. The patentee is often a corporation or other non-person entity. However, for ease of exposition when discussing the duty of disclosure, the term “patentee” will be used to encompass all of the persons contemplated by 37 C.F.R. § 1.56(c), each of whom is a “Rule 56 party.”

73. The reissue process restarts the duty of candor. *See* 37 C.F.R. §§ 1.63(b)(3), 1.175(a) (2009).

74. It is assumed that the amendment in question satisfies 35 U.S.C. § 251.

75. 37 C.F.R. § 1.176(a) (2009); U.S. DEP’T OF COM., MANUAL OF PATENT EXAMINING PROCEDURE § 609 (8th ed. 2008) [hereinafter “MPEP”] (“Once the minimum requirements of 37 CFR 1.97 and 37 CFR 1.98 are met, the examiner has an obligation to consider the information.”).

Thus, the second question is answered in the affirmative. Additionally, as discussed above, the mere submission of information without amendment being unable to provide a basis for reissue under § 251, information that does not necessitate amendment is not recognized as “error” under the statute. This compels the question whether the answer to the second question changes—*i.e.*, whether § 251 is no longer satisfied—if such information was intentionally withheld during original prosecution. For example, if the patentee intentionally failed to disclose a reference during the original prosecution, and the reference is later (e.g., during trial) determined to be material to patentability, has the requirement of “without deceptive intention” been met?

In § 251, the terms “error” and “deceptive intention” each appear but once, and in their single presentation are inextricably tied to one another: the “error” must have arisen without deceptive intention.<sup>76</sup> And, as discussed above, the “error” is the basis for the reissue application, which does not include the mere citation of information without amendment or other correction. Basic statutory construction compels the conclusion that, regardless of the intent behind the untimely submission, art or other information is properly submitted even if it does not necessitate amendment or other correction. There is simply no statutory basis for excluding such subject matter from the meaning of “error” in determining whether a perceived deficiency is categorically correctable while including the very same subject matter as within the statute’s requirement that an “error” be without deceptive intention.<sup>77,78</sup>

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76. 35 U.S.C. § 251 (2006) (“Whenever any patent is, *through error without any deceptive intention*, deemed wholly or partly inoperative or invalid, by reason of a defective specification or drawing, or by reason of the patentee claiming more or less than he had a right to claim in the patent.”) (emphasis added).

77. The Federal Circuit has recognized that statutory language controls even when the result seems contrary to a supposed legislative intent. *See, e.g.*, *Stark v. Advanced Magnetics, Inc.*, 119 F.3d 1551, 1555 (Fed. Cir. 1997) (“We read [35 U.S.C.] section 116 as requiring lack of deceptive intent in both cases of misjoinder and nonjoinder. The basis for this interpretation is the comma found after the term ‘application,’ a comma conspicuously absent from section 256. Thus, our interpretation of section 256 . . . differs from our interpretation of section 116. . . . At the same time, the pertinent legislative history suggests that sections 256 and 116 are to be interpreted in a uniform manner. However, to the extent that the language of sections 116 and 256 lead to different and, arguably, inconsistent results, a situation exists which only Congress has the power to resolve.”) (citations omitted).

78. The interpretation of “error” should be the same for 37 C.F.R. §1.175. There is no definition of “error” provided, but the language of section 1.175(a)(1), which tracks the language of 35 U.S.C. § 251, makes clear that the regulation’s purpose is to govern administration of the statutory section. Thus, the requirement in sections 1.175(a)(2), (b)(1) and

However, if the art in question necessitates an amendment to restore the patent's operability or validity, then the focus shifts to whether the error proposed to be corrected by the amendment is properly an "error" under the statute. In this situation, the citation of the art is merely incidental to the basis for reissue except to the following extent: if the art was intentionally withheld from the PTO in order to gain allowance, then the error in question could not have arisen "without any deceptive intention" as required by statute.<sup>79</sup> In this case, whether or not there has been a prior holding of unenforceability is irrelevant: the error is simply uncorrectable by reissue.<sup>80</sup>

A related question is what effect the reissue proceeding should have with respect to the judgment regarding the patentee's conduct during the original prosecution. Again, if the patentee intentionally failed to disclose a reference during the original prosecution, and the reference is later determined to be material to patentability, should submission of the reference during reissue prosecution effectively cure this omission so as to preclude a judgment of inequitable conduct? The remainder of Section III addresses this question.

### *C. Not Considering Materiality*

This section primarily addresses *omissions* rather than *misrepresentations*. While the line between the two may not always be clear, for present purposes an omission can be cured by the mere provision of the subject matter at issue, while a misrepresentation cannot. However, the principles outlined for omissions will be useful for addressing misrepresentations, which is undertaken in Section III.E.2., below.

#### 1. Materiality of Submitted References

All five standards of materiality (*see* Section III.A., above) share the feature of presuming that had the examiner been aware of the withheld information, she would not have or may not have allowed the patent to issue with the claims as she did. The objective and subjective "but for" standards are explicit that the examiner would not

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(b)(2) that the reissue applicant declare that all errors corrected or to be corrected arose without deceptive intention should be satisfied when non-amendment-necessitating art is submitted, irrespective of the intent behind its original withholding.

79. 35 U.S.C. § 251.

80. *See, e.g., In re Harita*, 847 F.2d 801 (Fed. Cir. 1988).



have allowed the patent to issue with the particular claims, and the “but it may have” and “reasonable examiner” standards are explicit or nearly so that she may not have allowed the patent to issue.<sup>81</sup> The Rule 56 standard fairly presumes that the examiner would have at least considered the information important in deciding whether to allow the application to issue as a patent inasmuch as “material” information under this standard bears directly on establishing a case of unpatentability or diminishing the applicant’s argument regarding patentability<sup>82</sup>, and it defies comprehension how information bearing on patentability could not be considered important. In this respect, the Rule 56 standard is subsumed within the “reasonable examiner” standard.

Notably, in assessing materiality under each of the articulated standards, one must *presume* what the effect of withholding the information might have been on the examiner because the assessor is not in a position of *knowing* the effect, the examiner not having had the information to consider. Thus, it may be that a particular examiner would not have considered some withheld reference<sup>83</sup> to be material, but a court later holds that the hypothetical “reasonable examiner” would have considered it material. In such a case, by having withheld the reference the applicant forgoes the benefit of having had the examiner consider it without requiring a concession by the applicant: the benefit being that no charge of inequitable conduct could have been brought based on the applicant’s failure to submit the reference.

In the alternative case, where the applicant does submit the reference, there is no need for a presumption regarding its effect on the examiner: the court need simply examine the prosecution history. The examiner might acknowledge the reference without comment, or she might issue a rejection in view of it. Either way, the court will not make an inquiry into whether or not the examiner properly evaluated the import of the reference.<sup>84</sup>

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81. See *Digital Control v. Charles Mach. Works*, 437 F.3d 1309, 1315-16 (Fed. Cir. 2006).

82. *Id.*

83. For ease of exposition, “reference” is meant to include any information, and not only documents.

84. The court will not make such an inquiry with respect to *inequitable conduct*. Of course, the court may decide that the examiner was wrong and that the reference renders the patent *invalid* (and see note 85, *infra*). It is important to keep in mind that the duty imposed on the applicant is one of *providing* information to the examiner, not one of ensuring that the examiner acts on the information as a court later determines she should have. For example, suppose the applicant does submit a reference, the examiner considers it but does not issue a

It is thereby seen that the court does not inquire into the materiality of a reference submitted to the PTO during prosecution. Whether or not a submitted reference ultimately affects the validity of an issued patent<sup>85</sup> is a question examined when the issue is invalidity. In such a case, the court examines the effect of the reference with respect to the various criteria required for patent entitlement found in the statute;<sup>86</sup> the question of “materiality” simply is not raised. Thus, there is a dichotomy of inquiry into an examiner’s assessment of a reference. For a withheld reference, the court looks into its supposed effect on a hypothetical “reasonable examiner.”<sup>87</sup> For a submitted reference, the court presumes that by allowing the patent to issue the examiner has concluded that the reference does not render the claims unpatentable irrespective of its “materiality,” but that conclusion is not unassailable.<sup>88</sup>

Thus, submission of a reference during prosecution precludes the inquiry into materiality that would be undertaken if the reference had not been submitted. This article’s critical assertion is that this preclusion is no less warranted for a reference submitted during reissue prosecution, even when the reference was withheld during original prosecution. This assertion is perhaps uncontroversial where the reference was unknown to the patentee during original prosecution. However, if we are to examine the ability of a patentee to prospectively cure what would later be judged inequitable conduct, it must be assumed that the reference was known to and withheld by the patentee prior to the original issuance. The crucial question then is

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rejection or otherwise require a concession by the applicant in view of it, and the patent issues. Later, when the applicant-turned-patentee asserts the patent against an alleged infringer, a court, considering the accused infringer’s defense of invalidity based on the same reference, holds that the reference does, indeed, render the patent invalid. In this case, the examiner’s error is not attributed to the patentee’s failure to explain how the submitted reference invalidated the patent. More likely is that the patentee agreed with the examiner’s assessment of the reference; but in any event the patentee is not penalized for the PTO’s having issued him an invalid patent.

85. Validity is assessed on a claim-by-claim basis, but for ease of exposition the invalidity of a “patent” is intended to refer to the invalidity of the particular claims at issue.

86. See 35 U.S.C. §§ 101–103, 112 (2006).

87. See, e.g., *Digital Control v. Charles Mach. Works*, 437 F.3d 1309, 1314 (Fed. Cir. 2006).

88. That fact notwithstanding, an examiner’s decision to issue the patent is not to be taken lightly. Examiners are presumed to do their jobs correctly, and “[d]eference is due the [PTO’s] decision to issue the patent with respect to evidence bearing on validity which it considered.” *Am. Hoist & Derrick Co. v. Sowa & Sons*, 725 F.2d 1350, 1359–60 (Fed. Cir. 1984). Moreover, an issued patent carries a presumption of validity. 35 U.S.C. § 282 (2006).

whether the assertion is justified when the patentee intentionally withholds the reference.

## 2. The Federal Circuit's Apparent View

Several opinions handed down before *Aventis* illustrate the Federal Circuit's thinking regarding the ability of a patentee to cure conduct prior to judgment. However, as in *Aventis*, the court in each case interpreted the cited precedent in an illegitimately broad manner. Thus, the pronouncements in each of these opinions should be understood merely as the court's apparent view, the court not yet having taken the opportunity to address the issue correctly.

### a. Bristol-Myers

In *Bristol-Myers Squibb Co. v. Rhone-Poulenc Rorer, Inc.*, the Federal Circuit considered whether the district court abused its discretion in holding that Rhone-Poulenc Rorer ("RPR") had obtained U.S. Patent Nos. 4,924,011 ("the '011 patent") and Re34,277 ("the Re'277 patent," a reissue of the '011 patent) by inequitable conduct, and, therefore, that the Re'277 patent was unenforceable.<sup>89</sup> Bristol-Myers Squibb ("BMS") brought a declaratory judgment action against RPR alleging, *inter alia*, that the Re'277 patent was unenforceable.<sup>90</sup> The allegation of inequitable conduct was based on the failure to disclose a reference referred to as "the JACS article" during prosecution of the '011 patent.<sup>91</sup> The district court found that the JACS article was material,<sup>92</sup> and that both the '011 and the Re'277 patents had been obtained by inequitable conduct<sup>93</sup> in that one of the agents involved in the prosecution of the '011 patent intentionally withheld the JACS article from the PTO with the intent to mislead the examiner.<sup>94</sup> The Federal Circuit upheld both the finding of materiality

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89. See *Bristol-Myers Squibb Co. v. Rhone-Poulenc Rorer, Inc.*, 326 F.3d 1226, 1229 (Fed. Cir. 2003).

90. *Id.* at 1233.

91. *Id.*

92. *Bristol-Myers Squibb Co. v. Rhone-Poulenc Rorer, Inc.*, No. 95-CV-8833-RPP, 2001 U.S. Dist. LEXIS 15618, at \*19-20 (S.D.N.Y. Oct. 2, 2001).

93. *Bristol-Myers Squibb Co. v. Rhone-Poulenc Rorer, Inc.*, No. 95-CV-8833-RPP, 2002 U.S. Dist. LEXIS 480, at \*59 (S.D.N.Y. Jan. 15, 2002). It is puzzling that the '011 patent was before the court. The grant of a reissue patent effects surrender of the original patent. 35 U.S.C. § 252. Therefore, upon reissue the original patent is no longer a legally cognizable instrument.

94. *Id.* at \*53.

of the JACS article and the finding of deceptive intent in connection with the withholding of the JACS article.<sup>95</sup>

In the previous section it was asserted that (1) submission of a reference during prosecution precludes the inquiry into materiality that would be undertaken if the reference had not been submitted; and (2) this preclusion is no less warranted for a reference submitted during reissue prosecution, even when the reference was withheld during original prosecution. In *Bristol-Myers*, the Federal Circuit explicitly declined to adopt this conclusion. Specifically, the court asserted that “although the examiner’s allowance of the reissue patent after considering the JACS article is probative evidence, that does not end the materiality inquiry.”<sup>96</sup> However, just as in *Aventis*, the cited precedent does not support the assertion.

The assertion together with the language that follows is reproduced below:

[A]lthough the examiner’s allowance of the reissue patent after considering the JACS article is probative evidence, that does not end the materiality inquiry. *Molins*, 48 F.3d at 1179, 33 USPQ2d at 1827 (stating that “the result of a PTO proceeding that assesses patentability in light of information not originally disclosed can be of strong probative value in determining whether the undisclosed information was material”). This court has articulated the materiality criterion as follows:

[T]he standard to be applied in determining whether a reference is “material” is not whether the particular examiner of the application at issue considered the reference to be important; rather, it is that of a “reasonable examiner.” Nor is a reference immaterial simply because the claims are eventually deemed by an examiner to be patentable thereover.

*Id.*, 33 USPQ2d at 1828 (citation omitted); *PerSeptive Biosystems, Inc. v. Pharmacia Biotech, Inc.*, 225 F.3d 1315, 1322, 56 USPQ2d 1001, 1006 (Fed. Cir. 2000) (stating that a patent may be valid and yet be rendered unenforceable due to inequitable conduct). Indeed, in *Molins*, the court affirmed a finding of inequitable conduct, notwithstanding that the withheld reference was later cited in a reexamination and the claims were allowed to issue.<sup>97</sup>

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95. *Bristol-Myers Squibb Co. v. Rhone-Poulenc Rorer, Inc.*, 326 F.3d 1226, 1234, 1240 (Fed. Cir. 2003).

96. *Id.* at 1237.

97. *Id.*

Eerily similar to *Aventis*, it was the omission of the underlying citation by the *Molins* court that lead to a misreading of the precedent by the *Bristol-Myers* court.

The case cited in *Molins* but not reproduced in *Bristol-Myers* is *Merck & Co. v. Danbury Pharmacal, Inc.*, in which the patentee appealed the judgment of inequitable conduct for having withheld references, arguing both that the references were merely cumulative over the art of record and that the finding of materiality was inconsistent with the holding that the claims were not rendered obvious by the very same references.<sup>98</sup> Explaining that materiality was not judged under a “but for” standard, the court made the following statement:

That the claimed invention may have been superior in one property to both the cited and withheld prior art may be a basis for patentability; it cannot serve automatically to render the withheld prior art either cumulative or immaterial.<sup>99</sup>

There is no dispute that withheld art need not have required a concession by the applicant in order to be considered material. The key difference between the *Merck* court’s statement and the *Molins* court’s restatement is the phrase “by an examiner.”<sup>100</sup> In *Merck*, the references at issue were never before the examiner, and there was no post-grant proceeding during which submission to the PTO was attempted.<sup>101</sup> Rather, the *district court* determined the patentability of the claimed invention over the references at issue. Thus, the *Molins* court’s substitution of “deemed by an examiner to be patentable” for “be a basis for patentability” obliterates the distinction between patentability *per se* and patentability per examiner review. Examiner review, while not dispositive regarding patentability *per se*, forecloses the inquiry into materiality of the reviewed reference. This distinction was ignored in both *Bristol-Myers* and *Molins*.

In contrast to the situation in *Merck*, in *Bristol-Myers* the JACS article had actually been before the *examiner*, albeit during reissue, and the examiner did not issue a rejection over it.<sup>102</sup> The court

98. *Merck & Co. v. Danbury Pharm., Inc.*, 873 F.2d 1418, 1420-21 (Fed. Cir. 1989).

99. *Id.* at 1421.

100. *Merck*, 873 F.2d at 1421; *Molins PLC v. Textron, Inc.*, 48 F.3d 1172, 1177 (Fed. Cir. 1995).

101. *Merck*, 873 F.2d 1418.

102. *Bristol-Myers Squibb Co. v. Rhone-Poulenc Rorer, Inc.*, 326 F.3d 1226, 1236-37 (Fed. Cir. 2003).

mistakenly pronounced that the examiner's allowance "does not end the materiality inquiry"<sup>103</sup> because it conflated the two patentability determinations described in the preceding paragraph. This conflation arose directly from the court's reliance on *Molins*.<sup>104</sup>

*b. Molins*

In *Molins PLC v. Textron, Inc.*, the Federal Circuit considered the enforceability of the Molins U.S. Patent No. 4,369,563 ("the '563 patent") in the context of reexamination.<sup>105</sup> Defendant Textron alleged the '563 patent to be unenforceable for inequitable conduct based on the failure to disclose several articles collectively referred to as "Wagenseil."<sup>106</sup> Although aware of Wagenseil during prosecution, the prosecuting attorney for Molins did not submit it to the PTO.<sup>107</sup> However, after issuance of the '563 patent, a different attorney, then in charge of the patent for Molins, filed a prior art statement under 37 C.F.R. § 1.501 listing Wagenseil among other references.<sup>108</sup>

Shortly thereafter, reexamination of the '563 patent was initiated by a third party on the basis of art including Wagenseil.<sup>109</sup> During reexamination, Molins referred the examiner to the Rule 501 citation of art, but the examiner indicated that the art was not of record and would not be until Molins submitted English-language translations of the foreign-language references.<sup>110</sup> Molins did so, and the examiner subsequently initialed each reference indicating consideration thereof.<sup>111</sup> No claims were rejected over Wagenseil during reexamination.<sup>112</sup>

At trial, the district court held the '563 patent unenforceable for inequitable conduct for withholding Wagenseil and other information

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103. *Id.* at 1237.

104. *Id.* As shown in the quoted text, the court also cited *PerSeptive Biosystems, Inc. v. Pharmacia Biotech, Inc.*, 225 F.3d 1315, 1322 (Fed. Cir. 2000) for the proposition that "a patent may be valid and yet be rendered unenforceable due to inequitable conduct." Issue is not taken with this reading of the case, but it is clear that just as in *Merck* the *PerSeptive Biosystems* court was addressing the issue of patentability *per se*. See *id.* at 1322 ("[W]hether concealed prior art would *actually invalidate the patent* is irrelevant to materiality.") (emphasis added).

105. See *Molins*, 48 F.3d 1172.

106. *Id.* at 1176 n.4, 1177.

107. *Id.* at 1176-77.

108. *Id.*

109. *Id.* at 1177.

110. *Id.*

111. *Id.*

112. *Id.*

from the PTO during prosecution.<sup>113</sup> During the time that the application that issued as the '563 patent was pending, the prosecuting attorney had represented to foreign patent offices that Wagenseil was the closest prior art.<sup>114</sup> The court rejected Molins's argument that the attorney had acted in good faith because while he had focused on Wagenseil several times during more than ten years of foreign prosecution, he had never cited it to the PTO during thirteen years of US prosecution.<sup>115</sup>

The Federal Circuit concluded that the district court neither made clear errors of fact nor abused its discretion in holding that the failure to disclose Wagenseil amounted to inequitable conduct.<sup>116</sup> Regarding the post-issuance submission of Wagenseil, the court stated only this:

We recognize that Wagenseil and other references from the foreign prosecution were cited eventually to the PTO and that the examiner initialed them and passed the reexamination application to issue thereafter. However, the references were not cited when they should have been.<sup>117</sup>

Similar to the situation in *Bristol-Myers*, in *Molins* the patentee did not cite Wagenseil during prosecution, but the reference was before the examiner during reexamination.<sup>118</sup> During reexamination, no rejection was issued over Wagenseil, and it was undisputed that the examiner had in fact reviewed it.<sup>119</sup> However, the court held the absence of rejection to be "not conclusive" on the question of Wagenseil's materiality.<sup>120</sup>

The *Molins* court's erroneous restatement of *Merck* has already been discussed, but the court did not rely on *Merck* alone. *A.B. Dick Co. v. Burroughs Corp.*,<sup>121</sup> cited for the proposition "that the claims may be patentable over the withheld prior art is not the test for materiality"<sup>122</sup> contributes no more to resolving the issue than does

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113. *Id.*

114. *Id.* at 1181.

115. *Id.*

116. *Id.* at 1182.

117. *Id.*

118. *Id.* at 1177.

119. *Id.*

120. *Id.* at 1180.

121. *A.B. Dick Co. v. Burroughs Corp.*, 798 F.2d 1392 (Fed. Cir. 1986).

122. *Molins*, 48 F.3d at 1179-80.

*Merck*.<sup>123</sup> *Western Electric Co. v. Piezo Tech., Inc.*,<sup>124</sup> cited for the proposition that “the standard to be applied in determining whether a reference is ‘material’ is not whether the particular examiner of the application at issue considered the reference to be important; rather it is that of a ‘reasonable examiner,’”<sup>125</sup> is no more helpful when the allegation of inequitable conduct is premised on a mere *omission* rather than a *misrepresentation*.<sup>126</sup>

The most persuasive statement in *Molins*, at least on its face, is the following:

We have held that the result of a PTO proceeding that assesses patentability in light of information not originally disclosed can be of strong probative value in determining whether the undisclosed information was material. *See J.P. Stevens* (reasonable rejection of claims in reliance on a reference during reissue proceeding established materiality of that reference).<sup>127</sup>

*J.P. Stevens* did concern evaluation of a reference’s materiality following a “reissue proceeding,” but the question under consideration here was not addressed by the court.<sup>128</sup> Among the defendants’ assertions raised against the charge of infringement were invalidity as anticipated and/or obvious, and “fraud on the PTO” for the knowing failure to disclose various references during

123. As with *PerSeptive Biosystems*, no issue is taken with the statement regarding materiality, but it is inapposite inasmuch as it addresses only patentability *per se*. To the extent the case holding goes beyond that, which it surely does, it is no longer viable precedent: “The precise issue is whether nondisclosure by an applicant during prosecution can be considered inequitable conduct . . . where the nondisclosure was of known prior art references on which the examiner (after independently discovering the references) rejected claims previously allowed.” *A.B. Dick*, 798 F.2d at 1396; *cf.* 37 C.F.R. § 1.56(a) (“The duty [of disclosure] is deemed to be satisfied if all information known to be material to patentability . . . was cited by the Office or submitted to the Office in the manner prescribed.”); *In re Oxycontin Antitrust Litig.*, 530 F. Supp.2d 554, 573 n.8 (S.D.N.Y. 1998) (“Defendants’ reliance on [*A.B. Dick*] for the proposition that inequitable conduct can be predicated on the non-disclosure of a document cited by the PTO is misplaced, as that case was decided prior to the promulgation in 1992 of the relevant regulations.”); *accord* *Scripps Clinic & Research Found. v. Genentech, Inc.*, 927 F.2d 1565, 1582 (Fed. Cir. 1991) (“When a reference was before the examiner, whether through the examiner’s search or the applicant’s disclosure, it can not be deemed to have been withheld from the examiner.”).

124. 860 F.2d 428, 433 (Fed. Cir. 1988).

125. *Molins*, 48 F.3d at 1179.

126. *See infra* Part III.F.2.b.

127. *Molins*, 48 F.3d at 1179 (citing *J.P. Stevens & Co. v. Lex Tex, Ltd.*, 747 F.2d 1553, 1562 (Fed. Cir. 1984)).

128. *Id.*



prosecution.<sup>129</sup> After trial on other issues but before trial on validity, the district court ordered the patentee to file a reissue application.<sup>130</sup> Most of the claims were rejected by the reissue examiner over one or both of Weiss or DaGasso, two of the references on whose withholding the fraud allegation was based.<sup>131</sup> The district court thereafter found the references not material. With this finding the Federal Circuit found error, leading to the foregoing quotation, asserting that the district court “essentially ignor[ed] the PTO reissue proceeding.”<sup>132</sup>

However, the applicability of this holding is quite limited. The “reissue proceeding” referred to is not the statutory reissue under consideration in this article but rather the “no-defect” reissue discussed in Section III.B., above.<sup>133</sup> The significance of this is that the no-defect reissue was *nothing more than* a PTO proceeding to assess patentability, an advisory opinion; and a patent having undergone such a “reissue” did not obtain the benefit as a patent emerging from a reexamination<sup>134</sup> or a “true” reissue.<sup>135</sup> Therefore, it was error for both the *Molins* court and the *Bristol-Myers* court relying on *Molins* to apply the language of *J.P. Stevens* regarding the “result of a PTO proceeding that assesses patentability,”<sup>136</sup> to the reexamination and reissue proceedings, respectively, before them. Each court affirmed the respective district court’s finding of materiality as a consequence of not assigning appropriate weight to the result of these proceedings.<sup>137</sup>

### c. American Hoist

*American Hoist & Derrick Co. v. Sowa & Sons*<sup>138</sup> provides no further insight. There, American Hoist sued Sowa for patent infringement, and Sowa asserted invalidity.<sup>139</sup> Sowa later brought to

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129. *J.P. Stevens*, 747 F.2d at 1557.

130. *Id.* at 1558.

131. *Id.* at 1559.

132. *Id.* at 1562.

133. *Id.* at 1558 & n.2.

134. See 35 U.S.C. § 307 (2006).

135. See 35 U.S.C. § 252.

136. *J.P. Stevens*, 747 F.2d at 1562.

137. *Bristol-Myers Squibb Co. v. Rhone-Poulenc Rorer, Inc.*, 326 F.3d 1226, 1237 (Fed. Cir. 2003); *Molins PLC v. Textron, Inc.*, 48 F.3d 1172, 1182 (Fed. Cir. 1995).

138. *Am. Hoist & Derrick Co. v. Sowa & Sons*, 725 F.2d 1350 (Fed. Cir. 1984).

139. *Id.* at 1354.

American Hoist's attention what it deemed new prior art, and American Hoist subsequently filed an application for "reissue" of its patent.<sup>140</sup> Sowa then amended its answer to include an allegation that American Hoist had committed "fraud in the PTO" by not disclosing to the examiner the prior art that Sowa had discovered.<sup>141</sup> The jury returned a verdict that each claim of the original patent was invalid as obvious and for "fraud on the Patent Office."<sup>142</sup> Shortly after the verdict, the PTO allowed the claims in "reissue," two of the three sued upon without amendment.<sup>143</sup> In considering the effect of the proceeding on the verdict, the district court found that the allowance "makes [it] a harder case, but does not remove the finding of fraud by the jury."<sup>144</sup>

On appeal, American Hoist asserted that the district court erred in instructing the jury, including "in refusing to instruct the jury on the effect of the reissue proceedings on the quantum of proof necessary for Sowa to prove obviousness."<sup>145</sup> Reversing the judgments of obviousness and "fraud" and remanding to the district court, the Federal Circuit stated (albeit in *dictum*):

Should the case be tried again to a jury, however, it is clearly appropriate that the jury be instructed that because the PTO [in "reissue"] held the claims in suit patentable in light of the additional art discovered by Sowa, its burden of proof of unpatentability has become more difficult to sustain—a fact likewise to be taken into account by the trial judge. With respect to the "fraud" issue, it is also manifest that *the decision of the PTO may have an effect on determining the degree of materiality of the involved prior art.* . . .<sup>146</sup>

Not discussed at any length in the opinion, however, is the crucial fact that the "reissue" referred to was not a "true" reissue under § 251 but rather a "no-defect" reissue.<sup>147</sup> As no-defect reissues do not obtain the benefit of true reissues, the Federal Circuit's instruction on reconsideration of materiality rather than *non*-consideration of

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140. *Id.*

141. *Id.*

142. *Id.*

143. *Id.*

144. *Id.* at 1355.

145. *Id.*

146. *Id.* at 1364 (emphasis added).

147. *Id.* at 1364 n.6.

materiality was entirely appropriate.<sup>148</sup> In contrast, invocation of this case in support of statements regarding the effect of § 251 reissue on inequitable conduct is not appropriate.

#### *D. Beyond Materiality*

##### 1. Intent vs. Deceptive Intent

It is essential to remember that intent is not necessarily *deceptive* intent. Inequitable conduct requires that the patentee withhold the reference with deceptive intent, but there is no penalty for intentionally withholding a reference with a plausible, good-faith belief that it is not material.<sup>149</sup> However, intent of any sort is notoriously difficult to discern.

The contention that submission of a reference during reissue precludes inquiry into its materiality may raise the hackles of some, alarmed at the suggestion that one could withhold information from the PTO with deceptive intent and obtain a patent, yet be permitted to atone for his prosecutorial sins through reissue. However, this alarm is not warranted when one considers how findings of deceptive intent arise. It is a rare instance in which direct evidence of deceptive intent is available. Instead, intent is typically inferred from circumstances, and deceptive intent is often inferred when the materiality of a reference is sufficiently high.<sup>150</sup> Heralding the return of the inequitable conduct “plague,”<sup>151</sup> at times materiality alone appears to satisfy the court that the patentee acted in bad faith.<sup>152</sup> The cart is

148. Additionally, there is an equitable justification for the court’s approach. *See infra* Part III.G.

149. *See, e.g.,* Dayco Prods. v. Total Containment, Inc., 329 F.3d 1358, 1367 (Fed. Cir. 2003).

150. *See* Ferring B.V. v. Barr Labs., 437 F.3d 1181, 1191 (Fed. Cir. 2006).

151. *See* Erik R. Puknys & Jared D. Schuettenehl, *Application of the Inequitable Conduct Doctrine After Kingsdown*, 25 SANTA CLARA COMPUTER & HIGH TECH. L.J. 839, 840-41 & n.15 (2009).

152. *See, e.g.,* Aventis Pharma S.A. v. Amphastar Pharm., Inc., 525 F.3d 1334, 1350 (Fed. Cir. 2008) (Rader, J. dissenting), *cert. denied*, 129 S. Ct. 2053 (2009) (“[T]he judicial process has too often emphasized materiality almost to the exclusion of any analysis of the lofty intent requirement for inequitable conduct. Merging intent and materiality at levels far below the *Kingsdown* rule has revived the inequitable conduct tactic.”); Ferring B.V. v. Barr Labs., Inc., 437 F.3d 1181, 1196-97 (Fed. Cir. 2006) (Newman, J., dissenting) (“The panel majority, steeped in adverse inferences, holds that good faith is irrelevant and presumes bad faith. Thus the court resurrects the plague of the past, ignoring the *Kingsdown* requirements of clear and convincing evidence of a misrepresentation or omission material to patentability, made intentionally and for the purpose of deception.”).

thereby put before the horse: the alarm is due to the (inferred) deceptive intent, but without a determination of materiality there is no inference of deceptive intent. Without such an inference, in the absence of direct evidence there is no reason to believe the intent was deceptive, and therefore no cause for alarm.

A patentee's actions, including the intentional withholding of a reference, should not be presumed deceptive without good reason.<sup>153</sup> Without direct evidence of deception, there is only inference; and without a determination of materiality, there is no inference. Should the patentee be permitted to escape evaluation of materiality simply by submitting the reference? This is precisely the rule of law for original prosecution, and reissue prosecution is governed in pertinent part by the same rules.<sup>154</sup> The question of whether policy counsels a different result is addressed next.

## 2. The Public Interest: Deterrence and Discouraging Behavior

Consider the argument that the assertion (that submission during reissue forecloses the materiality inquiry) is not warranted inasmuch as the patentee has benefited from having his patent issue without the PTO having had the opportunity to review the previously withheld reference, and he should not be permitted to gain advantage by his purposeful omission. In the situation under consideration, the withheld reference does not necessitate a claim amendment.<sup>155</sup> Thus, the reissued claims are identical to the claims of the original patent insofar as the effect of the reference is concerned (the claims will likely have been broadened or narrowed on account of the asserted "error"). Therefore, the only possible benefit of the original grant will have been one of deterrence, *i.e.*, a party abstaining from infringing activity believing that the patent was enforceable.

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153. See *N. Telecom, Inc. v. Datapoint Corp.*, 908 F.2d 931, 939 (Fed. Cir. 1990) ("Intent to deceive should be determined in light of the realities of patent practice, and not as a matter of strict liability whatever the nature of the action before the PTO. A patentee's oversights are easily magnified out of proportion by one accused of infringement. Given the ease with which a relatively routine act of patent prosecution can be portrayed as intended to mislead or deceive, clear and convincing evidence of conduct sufficient to support an inference of culpable intent is required.") (citations omitted).

154. See 35 U.S.C. § 251 (2006); 37 C.F.R. § 1.176(a) (2009).

155. When a claim amendment is required, the inquiry into intent in withholding the reference conflates with the inquiry into intent in amending, *i.e.*, intent in correcting an "error." In that case a full examination of intent is required inasmuch as the propriety of the reissue proceeding is implicated. See *supra* Part III.B.

This type of deterrence is part and parcel of the patent system. Patents whose claims are subsequently narrowed during reissue or reexamination potentially have deterred parties from acting within the space between the original and the amended claims.<sup>156</sup> The same is undoubtedly true of patents whose relevant claims are held invalid over prior art following trial. In the latter case, a would-be defendant in possession of the prior art may even believe with absolute certainty in the invalidity of the claims and yet forego facially infringing activity due to the high cost of proving invalidity through litigation. The difference between these cases and the case under consideration, the argument continues, is that in the former the patentee is the unwitting beneficiary of deterrence, while in the latter the benefit is the result of his purposeful inaction.

However, this argument is not convincing inasmuch as it presumes that the intent in withholding the reference is the same as the intent to obtain the benefit. As discussed above, intentionally withholding a reference with a plausible, good-faith belief in its immateriality is not deceptive intent. A patentee who so withholds a reference is no more guilty of attempting to dishonestly obtain the deterrent benefit than one who in good faith convinces the PTO that a particular reference does not invalidate his patent, only to have a court determine that it does.

Furthermore, it is in the public's interest to encourage post-grant proceedings such as reissue. Examination of the European post-grant opposition system reveals substantial economic benefit in the form of reduced litigation, owing to the inability to assert patents that would be found invalid or otherwise unenforceable following trial.<sup>157</sup> At the same time, the patentee incurs a substantial risk by initiating post-grant review proceedings, namely, the possibility that all meaningful claims will be canceled.<sup>158</sup> Considering that intentional omissions are not necessarily deceptive, and weighed against the benefit gained by the public from post-grant proceedings and the inherent risk borne by

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156. See, e.g., *Principle Business Enterprises, Inc. v. U.S.*, 226 U.S.P.Q. 180, 184 (1985).

157. See, e.g., Bronwyn H. Hall & Dietmar Harhoff, *Post-Grant Reviews in the U.S. Patent System – Design Choices and Expected Impact*, 19 BERKELEY TECH. L.J. 989, 1002-08. (2004).

158. The same risk is incurred upon initiating litigation to enforce the patent, but in that case the patent carries a presumption of validity, and any challenger must prove invalidity by clear and convincing evidence. See, e.g., *Technology Licensing Corp. v. Videotek, Inc.*, 545 F.3d 1316, 1327 (Fed. Cir. 2008). There is no presumption of validity during reissue. See, e.g., *In re Doyle*, 482 F.2d 1385, 1392 (C.C.P.A. 1973).

the patentee in undertaking them, the deterrent benefit argument is far from convincing.<sup>159</sup>

Consider the situation in which one Rule 56 party is aware of a reference but does not appreciate its materiality, and so intentionally—but not deceptively<sup>160</sup>—does not submit it to the PTO. The reference is later deemed material by a different Rule 56 party who was unaware of the reference until after grant. After a pre-litigation review,<sup>161</sup> the patentee decides to apply for reissue in order to correct an unrelated error. The duty of candor is reinstated, and the patentee is now faced with a choice. If he decides not to submit the reference, even believing it material to patentability, he has satisfied the elements of inequitable conduct.<sup>162</sup> If instead he complies with the duty of candor and submits the reference, he has only harmed himself. As the law was applied in *Aventis*, the submission of the reference has no bearing on the determination of inequitable conduct for having withheld the reference during prosecution of the original application, even if the PTO grants the reissue patent with no amendment required on account of the reference. In the *Aventis* Court's view, the damage has been done and cannot be undone.<sup>163</sup> Furthermore, by his submission the patentee has brought the reference to the attention of all parties who would seek a judgment of unenforceability, a group that presumably includes each and every party sued for infringement. Faced with these options, the patentee might well decide to withhold the reference with the hope that it is never discovered. This is then the patentee's only alternative to outfitting the reference with a bullseye for his adversaries, and is precisely the sort of behavior the law should discourage.

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159. The argument may be more convincing depending on the timing of various events. See *supra* Part III.F.

160. Although, admittedly some panels of the Federal Circuit believe that it is sufficient that the party *should have known* of the materiality of the information. See Puknys, *supra* note 151, at 858-62.

161. For example, two years after FDA approval of a successful drug product for which the patent in question is listed in the Orange Book and therefore certain to be the subject of litigation under 35 U.S.C. § 271(e)(2) in another two years.

162. Recall that "[o]nce threshold findings of materiality and intent are established, the trial court must weigh them to determine whether the equities warrant a conclusion that inequitable conduct occurred." *Purdue Pharma L.P. v. Endo Pharm.*, 438 F.3d 1123, 1128 (Fed. Cir. 2006). Thus, it would be improper to say at this point that the patentee has committed inequitable conduct.

163. *Aventis Pharma S.A. v. Amphastar Pharm., Inc.*, 525 F.3d 1334, 1341 n.6 (Fed. Cir. 2008), *cert. denied*, 129 S. Ct. 2053 (2009).

The present assertion is that submission of a reference during reissue obviates evaluation of the reference's materiality. The lack of a finding of materiality precludes not only the inference of deceptive intent but the entire inquiry, materiality itself being an element of inequitable conduct. To hold otherwise, to preclude the post-grant patentee from having his reference considered in the same manner as that of the pre-grant applicant, conflates intent generally with deceptive intent. Such a holding is neither fair to the patentee, who is under the same duty of candor as the patent applicant, nor in the public interest, which encourages post-grant review. It was first demonstrated that precedent does not necessitate a different result. It is now demonstrated that no viable policy argument exists in opposition to it, and that the public interest is served by adopting it.

#### *E. Curing Original Omissions and Misrepresentations During Reissue*

##### 1. The PTO's View

While recognizing that the PTO has no jurisdiction over an issued patent<sup>164</sup> (interference with a pending application notwithstanding), it is nonetheless instructive to understand the agency's view inasmuch as it may be persuasive to a court. Moreover, as discussed below, the PTO will not issue a patent to an applicant believed to have engaged in fraudulent behavior during prosecution. Therefore, the PTO's position is important to understand at least insofar as it limits the options available to a patentee looking to cure past conduct through reissue.

The Manual of Patent Examining Procedure ("MPEP"), which governs the PTO examiners and the examination process in general, recites, in pertinent part:

It is clear that "fraud" cannot be purged through the reissue process. See conclusions of Law 89 and 91 in *Intermountain Research and Eng'g Co. v. Hercules Inc.*

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Clearly, "fraud" practiced or attempted in an application which issues as a patent is "fraud" practiced or attempted in connection with any subsequent application to reissue that patent. The reissue application and the patent are inseparable as far as questions of

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164. *In re Dien*, 680 F.2d 151, 154 (C.C.P.A. 1982) (citing *McCormick Harvesting Machine Co. v. Aultman*, 169 U.S. 606 (1898)).

“fraud,” “inequitable conduct,” or “violation of the duty of disclosure” are concerned. See *In re Heany, supra*; and *Norton v. Curtiss*, wherein the court stated:

We take this to indicate that any conduct which will prevent the enforcement of a patent after the patent issues should, if discovered earlier, prevent the issuance of the patent.<sup>165</sup>

However, in yet another variation on a recurring theme, careful examination of each of the cited sources reveals that these cases do not support the breadth of the PTO’s pronouncements.

*a. Intermountain Research*

*Intermountain Research & Eng’g Co. v. Hercules, Inc.* concerned an action based in part on the defendant’s alleged infringement of U.S. Patent No. Re 25,695 (“the Re’695 patent”).<sup>166</sup> Among the defenses raised by the defendants was the allegation that the Re’695 patent was unenforceable because “fraud was committed on the Patent Office by the filing of a deliberately misleading and incomplete oath with the application for it, and by the deliberate withholding from and misrepresentations to the Patent Office during the prosecution of the ‘036 and [Re]’695 patents of relevant information relating to prior art and to prior knowledge.”<sup>167</sup> The defendants eventually prevailed on this defense.<sup>168</sup>

Well after initiation of the action, but prior to the start of trial, the patentee filed an application to reissue the Re’695 patent in order to obtain additional claims.<sup>169</sup> Following judgment that the Re’695 patent was invalid and unenforceable against them, the defendants filed a supplemental counterclaim for declaratory judgment that no reissue of the Re’695 patent could be enforced against them.<sup>170</sup> Regarding the claims sought to be added in the reissue, the defendants asserted that “said claims, if issued, would be unenforceable against them for the same reasons that [the initially asserted claims] of the

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165. MPEP, *supra* note 75 (citations omitted).

166. See *Intermountain Research & Eng’g Co. v. Hercules, Inc.*, 171 U.S.P.Q. 577 (C.D. Cal. 1971).

167. *Id.* at 579. The quoted language is from the court’s findings of fact, not the defendant’s pleading.

168. *Id.* at 625.

169. *Id.* The claims are described by the patentee as being of intermediate scope.

170. *Id.*



[Re]'695 patent are unenforceable against them.”<sup>171</sup> In finding for the defendants, the court similarly stated:

No valid patent can issue on the application filed to reissue the [Re]'695 patent. No such patent, if issued, is enforceable against the defendants here for the same reasons that the [Re]'695 patent is unenforceable against them.<sup>172</sup>

This is Conclusion of Law 91, cited by the PTO as supporting the assertion that “[i]t is clear that ‘fraud’ cannot be purged through the reissue process.”<sup>173</sup> There are two reasons why this statement does not fulfill the purpose for which it was invoked.

First, the court did not have jurisdiction to entertain the motion.<sup>174</sup> Without digressing into a discussion of Article III’s prohibition on advisory opinions, it should be clear that an advisory opinion is precisely what the defendants requested and what the court issued. Defendants argued that “said claims, *if issued, would be unenforceable*.”<sup>175</sup> Similarly, the court stated that “[n]o such patent, *if issued, is enforceable*.”<sup>176</sup> These are subjunctive propositions concerning a pending application. Propriety of a pending application is the sole province of the PTO.<sup>177</sup> Even if it were not, Article III would prevent the court’s “holding” from having any legitimacy.

Second, even as *dictum* the court’s statement does not support the PTO’s broad proposition. Although the district court did not explicitly state that its opinion was limited to the particular facts, its opinion was in force of reasoning limited to the facts concerning the reissue of the Re’695 patent. The court’s discussion of the legitimacy of the imagined reissue patent is a factual recitation of its deficiencies, specifically, deficiencies already noted as present in the Re’695 patent.<sup>178</sup> Additionally, absent from the PTO’s citation to *Intermountain Research* is Conclusion of Law 90, which recites:

171. *Id.*

172. *Id.* at 632 (citations omitted).

173. MPEP, *supra* note 75 (citing *Intermountain Research & Eng’g Co. v. Hercules, Inc.*, 171 U.S.P.Q. 577, 631-32 (C.D. Cal. 1971)).

174. Notably brief is Conclusion of Law 1, entitled “Jurisdiction,” which states in its entirety, “This Court has jurisdiction of the parties and the issues herein.” *Intermountain Research & Eng’g Co. v. Hercules, Inc.*, 171 U.S.P.Q. 577, 626 (C.D. Cal. 1971).

175. *Id.* at 625.

176. *Id.* at 632.

177. *See* 35 U.S.C. § 2 (2009).

178. *See Intermountain Research* at 625-26. Finding of Fact 30.04 is particularly telling. It reads, “There is no disclosure in the application or oath as filed of the work done at duPont in 1943 . . . of the Navy work done at the University of Utah in 1953-54 . . . of the

The deliberate misjoinder of Farnam as a co-inventor of the '036 patent and of the [Re]'695 patent, being not without deceptive intention, makes null and void any reissue patent granted in respect of the [Re]'695 patent. 35 U.S.C. § 116. *This deliberate misjoinder was not cured by the application to the Patent Office to reissue the [Re]'695 patent to Cook and Farnam as joint inventors . . .*<sup>179</sup>

Despite the absolute implications of the first sentence, the italicized sentence is notable in that it does not assert that the misjoinder *is not curable*, but rather states that it *was not cured*. In any event, a full reading of the opinion clarifies the boundaries of the court's pronouncement: no patent granted on application to reissue the Re'695 patent would be enforceable against the defendants for the same reasons that the Re'695 patent is unenforceable against them *because the reissue application shares the deficiencies that render the Re'695 patent unenforceable*. This hardly stands as a general proposition regarding the purging of fraud through reissue let alone a "clear" one.

Thus, *Intermountain Research* does not support the PTO's sweeping statement that "'fraud' cannot be purged through the reissue process."<sup>180</sup> In fairness, the PTO cited not *Intermountain Research* itself but rather its Conclusions of Law 91 and 89. However, understood in the context of the *Intermountain Research* opinion, these Conclusions and the cases cited therein either simply do not support the PTO's statement or do not support the PTO's reliance on them.<sup>181</sup>

#### b. Norton v. Curtiss

The second source of the PTO's position on reissue and fraud, *Norton v. Curtiss* concerned the priority decision in an interference between two applications.<sup>182</sup> Norton asserted that Curtiss committed fraud on the PTO during prosecution of his application, and that

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misrepresentations made during the prosecution of the [Re]'695 patent application in respect of the prior art patent to Streng . . . of the defects of the reissue oath in the [Re]'695 patent . . . or of the willful misjoinder of Farnam as a co-inventor, nor is any of the foregoing advanced as a ground for reissue." *Id.* at 625 (citations omitted). Similarly, regarding the reissue oath, the opinion states that "[i]n this oath, Cook and Farnam 'reaffirm the averments made in the petition and oath filed in the application for Re. '695 patent'. The defects of the latter oath are set out above." *Id.* at 625 n.15 (citation to the record omitted).

179. *Id.* at 631-32 (emphasis added).

180. MPEP, *supra* note 75.

181. See *infra* Part V for the *Appendix* which addresses the Conclusions and cited cases.

182. *Norton v. Curtiss*, 433 F.2d 779 (C.C.P.A. 1970).

therefore the Curtiss application should be stricken under Patent Office Rule 56<sup>183</sup> and priority should be awarded to Norton.<sup>184</sup> Norton had earlier filed a petition asking the Commissioner of Patents to strike the application based on Curtiss's allegedly fraudulent misrepresentations,<sup>185</sup> and the petition had been denied.<sup>186</sup> With some uncertainty regarding its responsibility in the matter, the Board of Patent Interferences had affirmed,<sup>187</sup> and the Court of Customs and Patent Appeals undertook review.

The court was unequivocal regarding the narrow scope of their review: "Regarding the question of Norton's fraud charges, the only issue we have power to decide is whether the Commissioner abused his authority in holding that the conduct of Curtiss did not warrant striking his application under Patent Office Rule 56."<sup>188</sup> Thus, the court was not tasked with judging the enforceability of a reissue *patent* in which there were allegations of fraud during prosecution of the original patent. Rather, the court was passing upon the legitimacy of an administrative action.<sup>189</sup>

After acknowledging the Commissioner's authority to strike an application under Rule 56 for fraudulent conduct, the court undertook to determine the standards applicable in making a finding of "fraud."<sup>190</sup> The language that precedes the lone sentence isolated by the PTO, above, is reproduced together with this sentence in order to provide the context for which the PTO's citation begs.

Heretofore, it appears that the action of the Commissioner in striking an application has always been preceded by the finding of a court that a fraud had been committed. Nevertheless, we can see no reason, in logic or in law, why such a finding may not be made within the Patent Office. . . .

[In defining "fraud" as used in Rule 56], we have not been left to our own resources. We have been aided by the following

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183. At the time this rule provided, in pertinent part: "Improper applications. . . . any application fraudulently [*sic*] filed or in connection with which any fraud is practiced or attempted on the Patent Office, may be stricken from the files." *Id.* at 782 n.4.

184. *Id.* at 782.

185. *Id.* at 785.

186. *Id.* at 788.

187. *Id.* at 789-91.

188. *Id.* at 791.

189. Specifically, the court stated that it would first determine the standards of law the Commissioner was required to apply, and then determine whether the evidence justified the decision. *Id.*

190. *Id.* at 791-92.

unquestionable logic in the Commissioner's opinion in *In re Heany*:

if the Commissioner should find from evidence duly taken in accordance with the law that an application or applications are so permeated with fraud as to justify the opinion that any patent or patents granted on those applications, whether amended or not, would be annulled or set aside by a court of [competent jurisdiction], on the ground that the patent was obtained through fraud, then it would be the duty of the Commissioner, under the law, to refuse, upon that ground, to grant such a patent.

We take this to indicate that any conduct which will prevent the enforcement of a patent after the patent issues should, if discovered earlier, prevent the issuance of the patent. The only rational, practical interpretation of the term "fraud" in Rule 56 which could follow is that the term refers to the very same types of conduct which the courts, in patent infringement suits, would hold fraudulent.<sup>191</sup>

In other words, the court is stating no more than the following: in reviewing a Commissioner's decision whether to strike an application for "fraud," the court may, in its analysis of what constitutes fraud, look to the types of conduct that have been held to render a patent unenforceable in post-grant proceedings. This understanding is consistent with the passage from *Heany* cited by the *Norton* court.

*In re Heany* considered allegations of fraud in an application involved in an interference.<sup>192</sup> Heany, his attorney and the Assistant Examiner conducting the examination of Heany's application were charged by the Principal Examiner with removing pages from the specification and replacing them with pages containing additional disclosure.<sup>193</sup> The application was abandoned following a divisional filing, and the divisional application was involved in an interference.<sup>194</sup> Aware of the Principal Examiner's allegations, the other parties to the interference petitioned the Commissioner, asserting that "both the said applications of Heany are fraudulent or so permeated with fraud that they should be stricken from the files of

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191. *Id.* at 792 (citation omitted).

192. *In re Heany*, 171 O.G. 983 (1911).

193. *Id.* at 984-85.

194. *Id.*

the Patent Office or treated as a nullity so far as concerns this interference."<sup>195</sup>

The Commissioner concluded:

It would be a travesty, indeed, and against all legal principles to permit a party to an interference to remain a party thereto [if the involved applications were] fraudulent to such a degree that any patent or patents granted [thereon] would be invalid and void on the ground of fraud. A fraudulent application is in law no such application as to justify the grant of a patent thereon, and the same is true when an application contains an incomplete and inoperative disclosure.<sup>196</sup>

The final clause, although seemingly out of place in a discussion of such brazenly fraudulent conduct, is the beginning of the context to the Commissioner's statement quoted by the *Norton* court. The intervening language bridges post-issuance invalidity with pre-issuance rejection by casting them as two sides of the same inquiry, in the context not of fraud but rather of an incomplete or inoperative disclosure.<sup>197</sup> From this example, the decision generalized as follows:

The refusal of the Commissioner . . . to grant patents is always based upon the fact that in [his] opinion . . . the patent, if granted, would be invalid. All reasons relied upon by the Commissioner . . . in [his] decisions refusing to grant patents to applicants, either in *ex parte* or interference cases, may be pleaded in court against the validity of patents.<sup>198</sup>

This language sets the stage for the *Norton* court's quotation, above, which begins, "[i]t logically follows that if the Commissioner should find . . . ."<sup>199</sup>

Thus, under *Heany* and *Norton*, if the PTO becomes aware of an applicant's conduct during prosecution that would, if raised as a defense to the patent, give rise to a holding of unenforceability, the PTO should on that ground refuse the application. The holdings are of the propriety of agency action, and this is the context in which the PTO's assertions, ostensibly attributable to these two cases, must be understood:

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195. *Id.* at 985.

196. *Id.* at 989.

197. *See id.*

198. *Id.*

199. *Id.* (emphasis added).

Clearly, “fraud” practiced or attempted in an application which issues as a patent is “fraud” practiced or attempted in connection with any subsequent application to reissue that patent. The reissue application and the patent are inseparable as far as questions of “fraud,” “inequitable conduct,” or “violation of the duty of disclosure” are concerned.<sup>200</sup>

Insofar as these statements provide the examiners with a rationale for refusing to grant a reissue patent upon evidence of fraud, etc. perpetrated during prosecution of the original application, they are amply supported by the cited opinions. As general propositions of law, however, the cited ground upon which they stand is illusory.

## 2. Curing Misrepresentations

Pure reason, aided by the foregoing analysis, suggests that merely providing a previously withheld reference to the PTO during reissue is sufficient to cure the original omission. After all, if omission is the ailment, then provision is the cure,<sup>201</sup> and examiners are presumed to perform their jobs correctly,<sup>202</sup> which includes review of submitted information.<sup>203</sup> As seen above, if the reference is properly before the examiner and the patent issues, the inquiry into the materiality of the reference is foreclosed. In contrast to providing a reference to cure an omission, however, the question of curing a misrepresentation is not resolved upon patent issuance following mere supplemental provision of accurate information. In *Rohm & Haas Co. v. Crystal Chemical Co.*,<sup>204</sup> the Federal Circuit addressed the distinction.

### a. Rohm & Haas

In *Rohm & Haas*, the court considered under what circumstances, if any, an applicant could cure a material misrepresentation made to the PTO in the *same* prosecution.<sup>205</sup> During an interview, the patentee informed the examiner of omissions of test data from its previously submitted affidavits, and supplied the omitted

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200. See MPEP, *supra* note 75.

201. See, e.g., *N. Telecom, Inc. v. Datapoint Corp.*, 908 F.2d 931, 938 (Fed. Cir. 1990) (“All the pertinent information was squarely before the examiner in a simple document. . . . the examiner was free to reach his own conclusion.”).

202. See *supra* note 88.

203. See *supra* note 75.

204. *Rohm & Haas Co. v. Crystal Chemical Co.*, 722 F.2d 1556 (Fed. Cir. 1983).

205. See *id.*

data and other related data in the patentee's possession.<sup>206</sup> The district court found that the patentee had corrected all of the "deficiencies" in the prosecution that existed until then.<sup>207</sup> On appeal, the Federal Circuit addressed whether the patentee's conduct could have been cured, and, if so, whether its conduct was sufficient to effect a cure.<sup>208</sup> To the first question, the court answered in the affirmative:

Specifically, the narrow issue we now deal with is whether voluntary efforts during prosecution by or on behalf of an applicant, knowing that misrepresentations have been made to the examiner of his application, can ever alleviate its effect. *Taking into account human frailty and all of the objectives of the patent system, we think it desirable to permit misdeeds to be overcome under certain limited circumstances.*<sup>209</sup>

Thus, the Federal Circuit has recognized that "the objectives of the patent system" are served when an applicant is given the opportunity to correct a previous misrepresentation to the PTO. The court further established requirements to do so.<sup>210</sup> The applicant who wishes to overcome a misrepresentation must: (1) expressly advise the PTO of its existence and state specifically where it occurs; (2) if the misrepresentation is of one or more facts, advise the PTO what the actual facts are and make it clear that further examination in light of those facts may be required if any PTO action has been based on the misrepresentation; and (3) on the basis of the new and factually accurate record, establish patentability of the claimed subject matter.<sup>211</sup> Additionally, the court expressly stated that simply submitting the accurate information was insufficient:

It does not suffice that one knowing of misrepresentations in an application or in its prosecution merely supplies the examiner with accurate facts without calling his attention to the untrue or

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206. *Id.* at 1559.

207. *Id.*

208. "The questions presented by Crystal's allegation of fraud in the PTO are: 1. Did R & H intentionally make material misrepresentations to the PTO? 2. If it did, could that conduct have been 'cured' during prosecution by subsequent disclosure to the PTO before the patent issued? 3. If R & H prosecution activities were illicit, yet could have been 'cured,' was R & H's 1973 interview disclosure sufficient to that end?" *Id.* at 1570. The court answered "yes" to the first question. *Id.* at 1570-71.

209. *Id.* at 1571-72 (emphasis added). The court subsequently determined that Rohm & Haas had not met the requirements. *Id.* at 1572.

210. *Id.* at 1572.

211. *Id.*

misleading assertions sought to be overcome, leaving him to formulate his own conclusions.<sup>212</sup>

*b. Applicability of Rohm & Haas to Reissue*

The *Rohm & Haas* court explicitly did not address the applicability of their ruling to post-issuance activity,<sup>213</sup> and district courts have addressed the question with differing results. One court concluded that cure under *Rohm & Haas* is not available to a reissue applicant.<sup>214</sup> However, the basis for this determination was, as in *Aventis*, a misplaced reliance on *Clark*.<sup>215</sup> Another court intimated that attempted correction under *Rohm & Haas* during reissue is the proper mechanism for curing a misrepresentation after grant, but it assumed that the proceeding would be barred by § 251 and/or *Clark*.<sup>216</sup>

As discussed above, in *Bristol-Myers Squibb Co. v. Rhone-Poulenc Rorer, Inc.*, the district court held that both the original '011 patent and the Re'277 patent had been obtained by inequitable conduct.<sup>217</sup> Inequitable conduct was held in the first instance because RPR withheld the JACS article during prosecution of the '011 patent.<sup>218</sup> The court further held that "[RPR's] failure to disclose the JACS article during the prosecution of the 011 patent was not cured by [its] subsequent disclosure of the JACS article late in the prosecution of the [Re'277] patent."<sup>219</sup> Specifically, the court analyzed RPR's actions under the *Rohm & Haas* factors and found them insufficient to cure the inequitable conduct committed during the original prosecution.<sup>220</sup> In other words, the district court simply assumed that the reasoning of *Rohm & Haas* applied to curative actions taken during reissue.

212. *Id.*

213. *Id.* at 1571 ("We are not dealing with the question of what, if anything, can be done after the patent issued to alleviate the effect of misconduct.").

214. See *Golden Valley Microwave Foods, Inc. v. Weaver Popcorn Co.*, 837 F. Supp. 1444, 1478 (N.D. Ind. 1992).

215. *Id.*

216. See *Semiconductor Energy Lab. Co. v. Samsung Electronics Co.*, 24 F. Supp. 2d 537, 544-45 & n.26 (E.D. Va. 1998).

217. *Bristol-Myers Squibb Co. v. Rhone-Poulenc Rorer, Inc.*, 95-CV-8833-RPP, 2002 U.S. Dist. LEXIS 480, at \*53 (S.D.N.Y. Jan. 15, 2002).

218. *Id.* at \*53.

219. *Id.* at \*54.

220. *Id.* at \*54-58.



The Federal Circuit has yet to address the propriety of this assumption. As mentioned above, the *Bristol-Myers* court was silent regarding the district court's *Rohm & Haas* analysis but simply noted that "the examiner's allowance of the reissue patent after considering the JACS article . . . does not end the materiality inquiry."<sup>221</sup> And, as discussed earlier, the court deemed the materiality inquiry not ended because they misapprehended the effect of the reissue patent grant. In *Molins*, the question was not before the court as the patentee did not assert that the subsequent citation of the reference during the reexamination proceeding cured the failure to cite it during the original prosecution.<sup>222</sup>

The *Rohm & Haas* court, while not addressing the post-grant situation, weighed the relevant policy considerations. The defendant had argued that "[o]nce fraud on the PTO has been committed, it cannot be corrected."<sup>223</sup> In coming to the conclusion that the defendant's view was too narrow, the court was conscious of the need to balance competing considerations:

Surely, a very important policy consideration is to discourage all manner of dishonest conduct in dealing with the PTO. At the same time, the basic policy underlying the patent system is to encourage the disclosure of inventions through issuance of patents. Another policy of the system is to stimulate the investment of risk capital in the commercialization of useful patentable inventions so that the public gets some benefit from them, which may not occur in the absence of some patent protection. Clearly, we are faced with questions of both socioeconomic policy on the one hand, and morals or ethics on the other. We think we should not so emphasize either category as to forget the other.

. . . .

Considering the overall objectives of the patent system, we think it desirable that inventions meeting the statutory requirements for patentability be patented and, therefore, *we also think it desirable to reserve the possibility of expiation of wrongdoing where an*

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221. *Bristol-Myers Squibb Co. v. Rhone-Poulenc Rorer, Inc.*, 326 F.3d 1226, 1237 (Fed. Cir. 2003).

222. *Molins PLC v. Textron, Inc.*, 48 F.3d 1172, 1183 (Fed. Cir. 1995).

223. *See Rohm & Haas Co. v. Crystal Chemical Co.*, 722 F.2d 1556, 1571 (Fed. Cir. 1983). In effect, this is what the *Aventis* court held with respect to post-grant attempts at correction.

*applicant chooses to take the necessary action on his own initiative and to take it openly.*<sup>224</sup>

Thus, the Federal Circuit's own analysis of policy considerations recognizes the value in permitting patentees to correct their missteps voluntarily. At the same time, the court has not proffered a justification for differentiating between original patents and reissue patents; and, as seen above, where they have treated the difference as dispositive, it has been based on a misunderstanding of cited precedent. There is therefore no reason grounded in policy or precedent for denying a patentee the ability to correct a misrepresentation under *Rohm & Haas* during a reissue proceeding.

The effect of granting a reissue patent following cure of a misrepresentation should be the same as that following submission of a previously withheld reference, namely, foreclosure into the materiality of the misrepresentation. As with correcting omissions, this foreclosure precludes both an inference of intent from materiality and a holding of inequitable conduct that relies on materiality of the misrepresentation. Unlike correcting omissions, however, mere issuance of the patent does not demonstrate cure.<sup>225</sup> Instead, there is a separate question that must be answered if raised by the movant: did the patentee actually cure the misrepresentation in the manner prescribed by *Rohm & Haas*?<sup>226</sup> If the answer is no, the patentee is in the same position as before the reissue, *i.e.*, there is an uncured misrepresentation during prosecution that may lead to a judgment of inequitable conduct. However, the additional facts relevant to both materiality and intent generated by the reissue proceeding should be considered by the court in balancing the equities to determine if a judgment of inequitable conduct is warranted.

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224. *Id.* at 1571-72 (emphasis added).

225. *See supra* note 212 and accompanying text.

226. It is here that *W. Elec. Co. v. Piezo Tech., Inc.*, 860 F.2d 428 (Fed. Cir. 1988), cited in *Molins*, would be relevant. Western Electric sued Piezo for patent infringement, and Piezo in defense alleged inequitable conduct. *W. Elec. Co. v. Piezo Tech., Inc.*, CA No. 81-694-ORL-CIV-ER, 1987 U.S. Dist. LEXIS 13342, at \*1 (E.D. Va. 1987), *rev'd*, 860 F.2d 428 (Fed. Cir. 1988). According to the district court, Western Electric argued in response that there could be no inequitable conduct because the particular examiner in charge of the application "was an independent and impartial expert who could recognize inaccurate or misleading statements about prior art." *Id.* at \*2. In rejecting Western Electric's argument, the Federal Circuit stated that "[t]he standard to be applied is not whether a particular examiner would consider the material to be important, or in this case whether he would be misled by alleged misrepresentations; rather it is that of a 'reasonable examiner.' Inquiry into the importance that Examiner Nussbaum may have placed on the representations . . . is therefore wholly irrelevant." *W. Elec.*, 860 F.2d at 433.

### 3. Distinguishing Omissions from Misrepresentations

Given the disparity in procedures required to cure, it warrants acknowledging that omissions and misrepresentations are not always easily distinguished. Where the allegation of inequitable conduct is based upon mere withholding of a document, the determination of omission should be straightforward. Similarly, an affirmative misrepresentation—a statement offered by the patentee that a particular assertion is true—should be easily determined to be a misrepresentation. The difficulty arises when an item of information, in contrast to an entire document, is withheld. Depending on the facts, the withholding could legitimately be characterized as either.<sup>227</sup> Undoubtedly, the significantly higher hurdle needed to overcome a misrepresentation versus an omission will prompt accused infringers to argue for the former, while patentees will invariably argue for the latter. This is already the state of the law, however. This article simply argues that cures attempted during reissue should not be treated differently.

#### *F. Timing*

As seen in *Clark*, the timing of reissue relative to judgment is an important consideration in determining the effect of the reissue proceeding on the question of inequitable conduct. The *Clark* court held that a reissue application filed after a judgment of inequitable conduct could not rehabilitate the unenforceable patent.<sup>228</sup> However, as noted earlier, the court explicitly left unanswered the question of whether reissue could be so employed prior to judgment.

Additionally, courts should consider the timing of the complaint relative to reissue application filing, the taking of corrective action (e.g., submitting a previously withheld reference), and reissue patent issuance. In one aspect, inasmuch as inequitable conduct is an equitable doctrine, courts should have the discretion not to entertain mere delay tactics on the part of patentees. But further, the timing of these events should dictate the analysis used to assess the effect of reissue on the inequitable conduct determination. The effect of timing on the analysis is explored below in several scenarios. In each case

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227. See, e.g., the arguments presented in *Amgen, Inc. v. Ariad Pharms., Inc.*, 577 F. Supp. 2d 695, 721-22 (D. Del. 2008); see also *Applied Materials, Inc. v. Advanced Semiconductor Materials, Inc.*, No. C-92-20643-RMW, 1994 U.S. Dist. LEXIS 17569, at \*9-10 (N.D. Cal. April 18, 1994).

228. *In re Clark*, 522 F.2d 623, 628 (C.C.P.A. 1975).

the conduct at issue is the withholding of a reference, but the analysis may be generalized to any conduct.

Scenario 1. Complaint Filed After Filing of the Reissue  
Application and Submission of the Reference

The scenario in which reissue patent issuance precedes filing of the complaint presents the strongest case for permitting the patentee to benefit from having submitted the reference. The patentee has yielded the presumption of validity and thereby risked losing his claims, and he has brought the previously withheld reference to the attention of the Patent Office of his own accord. He has done this prior to asserting the patent against an accused infringer, and thus has not sought to take advantage of his prior omission. Specifically, he has not sought to exploit the deterrent benefit by initiating litigation prior to revealing the existence of the reference. Finally, irrespective of the materiality of the reference, issuance of the reissue patent should assuage all concerned that the PTO had issued a patent without having been aware of information in the patentee's possession.

If the reissue application is still pending when the complaint is filed, the analysis is largely the same inasmuch as the essential elements listed in the preceding paragraph are present. The only difference is that the PTO has not yet determined that the patentee is entitled to his reissue claims. There are sufficient reasons for the district court to stay litigation until reissue prosecution is concluded; the above argument suggests one more. A complete prosecution would enable the court to correctly adjudicate the question of inequitable conduct: if the reissue patent is granted with no concession required of the patentee on account of the reference, the court can properly refuse to consider its prior omission as a basis for an allegation of inequitable conduct, even with a showing that the omission was intentional.

Scenario 2. Complaint Filed Before Submission of the  
Reference

The policy justifications for the conclusion are weakened when the complaint is filed before the reference is submitted to the PTO. In this scenario it is not clear that the patentee has not sought to exploit the deterrent benefit. The defendant, possibly unaware of the reference, might decide to settle the case before the existence of the reference is revealed. In such a situation, the equities may best be

served by allowing an allegation of inequitable conduct for the original omission to proceed.

It is important to point out that the complaint in question must be the *first* complaint filed to enforce the patent.<sup>229</sup> Assume that in the situation just described the defendant decides to settle the case unaware of the existence of the withheld reference. Reissue prosecution concludes and a reissue patent is granted. The patentee then seeks to enforce the reissue patent against a second defendant, who is aware of the reference from her reading of the reissue prosecution history. The equities do not favor precluding the second defendant from alleging inequitable conduct for the prior omission, as in Scenario 1. The patentee exploited the deterrent benefit before it was clear he was entitled to it, and he therefore should not be permitted to use his untimely corrective action as a shield.

The conclusion is the same *a fortiori* when the reference is independently discovered by the defendant and forms the basis for his affirmative defense of unenforceability for inequitable conduct. Here the patentee has taken no corrective action before asserting his patent, and the submission of the reference at this point is properly considered an avoidance tactic. There is no policy justification for permitting the patentee to escape inquiry into his earlier conduct under these circumstances.<sup>230</sup> Moreover, allowing him to do so may create an incentive to withhold the reference during reissue in the hope that it will not be discovered, and submitting it only when its existence is known to all parties.

At the same time, courts need not disregard the outcome of a reissue proceeding. This was precisely the situation in *Am. Hoist & Derrick Co. v. Sowa & Sons*,<sup>231</sup> discussed above in the context of no-defect reissue. There, the "reissue" was filed only after the existence of the art was revealed in the defendant's motions.<sup>232</sup> The court's

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229. This includes a legitimate declaratory judgment complaint filed by a potential defendant. The patentee's conduct, if it rises to the level of conferring jurisdiction on a declaratory judgment plaintiff, should be seen as an attempt to exploit the deterrent benefit sufficient to deprive the patentee of the full benefit of post-grant review.

230. *Young v. Lumenis, Inc.*, No. 2:03-cv-655, 2006 U.S. Dist. LEXIS 13585, at \*35 n.19 (S.D. Ohio March 28, 2006) ("Plaintiff's recent submission does not cure his misconduct. As an initial matter, Plaintiff did not provide the updated information to the PTO until Defendant filed this motion.") (citing *Rohm & Haas Co. v. Crystal Chem. Co.*, 722 F.2d 1556, 1572 (Fed. Cir. 1983) for the requirement that the patentee "take the necessary action on his own initiative").

231. *Am. Hoist & Derrick Co. v. Sowa & Sons, Inc.*, 725 F.2d 1350, 1359-60 (Fed. Cir. 1984).

232. See *supra* notes 140 and 141 and accompanying text.

instruction to the jury to reconsider materiality in light of the PTO's assessment<sup>233</sup> strikes a reasonable balance between "socioeconomic policy on the one hand, and morals or ethics on the other."<sup>234</sup>

There is also a practical reason not to initiate suit until the reissue patent is granted. Once the patent issues, the PTO has no jurisdiction over it.<sup>235</sup> However, as discussed in Section III.E.1.b., above: (1) the PTO has the authority to refuse patent grant "on an application in connection with which fraud on the Office was practiced or attempted or the duty of disclosure was violated through bad faith or intentional misconduct;"<sup>236</sup> and (2) the PTO does not distinguish between the original and reissue applications with regard to inequitable conduct and violations of the duty of disclosure. These facts become critical when recalling the reissue applicant's duty to inform the PTO of concurrent proceedings.<sup>237</sup> Allegations by an accused infringer of the patentee's fraudulent conduct during original prosecution will undoubtedly raise questions within the PTO and may prevent the PTO from granting the reissue.

### G. *Reconsidering Materiality*

Consistent with *American Hoist*, the granting of a reissue patent following submission of a reference should at the very least affect the determination of the reference's materiality. Determination of the omitted information's materiality is tied to the importance a reasonable examiner would attach to it. When that information is before the PTO, the examiner's consideration and disposition of it—acknowledging it without comment, issuing a rejection over it, or stating in her reasons for allowance what it does not teach—should inform the court's evaluation of its materiality.

This view was ostensibly adopted by the Federal Circuit in *Bristol-Myers Squibb Co. v. Rhone-Poulenc Rorer, Inc.*<sup>238</sup> As

233. *Am. Hoist & Derrick Co.*, 725 F.2d at 1362-63.

234. *Rohm & Haas*, 722 F.2d at 1571.

235. *In re Dien*, 680 F.2d 151, 154 (citing *McCormick Harvesting Machine Co. v. Aultman*, 169 U.S. 606, 608-09 (1898)).

236. 37 C.F.R. § 1.56(a) (2009).

237. See 37 C.F.R. § 1.178(b) ("In any reissue application before the Office, the applicant must call to the attention of the Office any prior or concurrent proceedings in which the patent (for which reissue is requested) is or was involved, such as interferences, reissues, reexaminations, or litigations and the results of such proceedings.").

238. *Bristol-Myers Squibb Co. v. Rhone-Poulenc Rorer, Inc.*, 326 F.3d 1226 (Fed Cir. 2003).

discussed above, the district court found that RPR failed to provide material information to the PTO by not submitting the JACS article during prosecution of the original patent despite submitting it during reissue.<sup>239</sup> On review, the Federal Circuit made the following observation:

To be sure, the fact that the JACS article was disclosed to the examiner in the reissue prosecution but did not lead the examiner to reject the application is relevant evidence favoring RPR with regard to the issue of materiality.<sup>240</sup>

Thereafter, the court proceeded to find that the JACS article was nonetheless “material.”<sup>241</sup> After upholding the district court’s finding of deceptive intent, the court affirmed the judgment of inequitable conduct.<sup>242</sup>

However, the Federal Circuit should have remanded to the district court to revisit its inequitable conduct holding. After all, inequitable conduct requires not only threshold levels of materiality and intent, but also a “determin[ation] whether the questioned conduct amounts to inequitable conduct by *balancing the levels of materiality and intent*, with a greater showing of one factor allowing a lesser showing of the other.”<sup>243</sup> Logic dictates that a lesser showing of one factor requires a *greater* showing of the other.

However, the district court was not given the opportunity to reassess the *degree* of materiality of the JACS article in view of the reissue allowance, nor did it undertake this assessment in its original opinion. Instead, the district court determined that RPR had not cured the original omission by submission during reissue.<sup>244</sup> Having found that the omission had not been cured, the district court did not determine whether the reissue proceeding affected the degree of materiality of the JACS article. An allegation of inequitable conduct is a serious charge, and an affirmative judgment has drastic consequences.<sup>245</sup> Given the severity of the consequences, a court

239. *Id.* at 1234.

240. *Id.* at 1236 (citing *In re Rhone-Poulenc Rorer, Inc.*, 178 F.3d 1309 (Fed. Cir. 1998)).

241. *Id.* at 1236-39.

242. *Id.* at 1239-42.

243. *See* *Digital Control, Inc. v. Charles Mach. Works*, 437 F.3d 1309, 1313 (citing *Union Pac. Res. Co. v. Chesapeake Energy Corp.*, 236 F.3d 684, 693 (Fed. Cir. 2001) (emphasis added)).

244. *Bristol-Myers*, 326 F.3d at 1239-40.

245. *See, e.g.*, *Plaintiffs-Appellants’ Combined Petition for Panel Rehearing and Rehearing En Banc at vi*, *Purdue Pharma L.P. v. Endo Pharm.*, 438 F.3d 1123 (Fed. Cir. Jun. 21,

should use its equitable discretion to at least consider all of the facts known to it.<sup>246</sup>

#### IV. APPLICATION OF THE PROPOSED ANALYSIS

Applying the proposed analysis to the facts in *Aventis* might have led to a different outcome. No claims were amended in substance during reissue,<sup>247</sup> and *Aventis* took action to correct Example 6 prior to filing suit,<sup>248</sup> so there was not an attempt to exploit the deterrent benefit. At the same time, the reissue patent had not yet issued, so *Aventis* was not entitled to the full benefit of the PTO's assessment of the information as corrected.

The district court could have stayed the litigation until the reissue was concluded, but at the very least the court should have considered the PTO's assessment of the information's materiality in its determination of inequitable conduct, as the reissue patent issued prior to judgment.<sup>249</sup> Irrespective of the propriety of the reissue, a new finding regarding materiality would have required a reconsideration of the holding of unenforceability for inequitable conduct, inasmuch as a lesser finding of materiality requires a greater finding of intent.<sup>250</sup> Moreover, because intent is generally inferred from surrounding facts and circumstances,<sup>251</sup> it follows that a finding of less materiality may

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2005) (Nos. 04-1189, 04-1347, 04-1357) 2005 WL 3968475 (noting that 67 groups of plaintiffs filed actions alleging civil fraud and violation of state and federal antitrust laws, and that the central allegation in each case was based on the trial court's holding that Purdue's patents were unenforceable due to inequitable conduct).

246. The *Aventis* majority did not engage in any such reconsideration of materiality despite the granting of the reissue patent. In contrast, the dissent pointed out, "The USPTO granted the reissue a day before the district court judge granted Teva and Amphastar's summary judgment motion that the '618 patent was unenforceable. *Aventis* did not have the opportunity to make this argument to the trial judge. *This record does not prevent this court, however, from considering all this information in evaluating the inequitable conduct finding.*" *Aventis Pharma S.A. v. Amphastar Pharms., Inc.*, 525 F.3d 1334, 1352 (Rader, J., dissenting) (emphasis added).

247. Two claims were corrected for typographical errors, and one dependent claim was canceled.

248. *Aventis*, 525 F.3d at 1352.

249. The dissent made the point that, "The patent reissued . . . with all of the original independent claims, but without example 6. The half-life data were apparently not even necessary for patentability. The USPTO determined that the Debrue LMWH was inventive over the prior art Mardiguian LMWH without relying on the controversial half-life data from example 6." *Id.* at 1352 (Rader, J., dissenting).

250. This follows from the court's recitation that "[t]he more material the omission or misrepresentation, the less intent that must be shown to elicit a finding of inequitable conduct." *Id.* at 1344 (citations omitted).

251. *See id.*



lead to a finding of less intent.<sup>252</sup> As with materiality, a finding of a lower level of intent would affect the ultimate determination of inequitable conduct.

If we assume the finding of deceptive intent was correct, we then must consider whether the reissue was proper. As discussed above: (1) the finding of inequitable conduct was premised on Example 6 of the '618 patent's specification and statements concerning the Example by Dr. Uzan; and (2) the reissue application expressly disavowed any reliance on Example 6 and the portions of Dr. Uzan's declarations relating to Example 6. However, unlike the scenarios discussed in the previous section, there was no clear distinction between the correction in the reissue and the basis for the holding of inequitable conduct: the latter concerned one aspect of Example 6, but the correction addressed the entirety of the Example. Thus, a correct finding of deceptive intent may well have nullified the reissue as improper.

The next question is whether one could have prosecuted the reissue application to provide the required distinction. The stated error concerned one statement and various percentages reported in Example 6.<sup>253</sup> On the other hand, the basis for inequitable conduct was the non-disclosure of the dosage differences used in the comparisons with the EP '144 composition both in Example 6 and in Dr. Uzan's declarations. As long as there was no deceptive intent concerning the statement and percentage errors, those errors could still serve as a proper basis for reissue. At the same time, the dosage information could have been provided to the examiner. And because the dosage information presumably would not have required a concession by the Applicant—after all, the claims were issued without substantive amendment and without *any* of the information from Example 6 or the relevant sections of the declarations—the omission would not

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252. *See id.* ("The essence of Aventis's argument is that . . . the dosage information is not material. We have previously determined, however, that the dosage information was material to patentability. Nevertheless, because *materiality and intent to deceive are necessarily intertwined*, we will consider the merits of Aventis's argument with respect to deceptive intent.") (emphasis added) (citations omitted).

253. The reissue declaration states, in pertinent part, "At least one error forming the basis of this reissue involves Example 6 of the specification. That example contains mistakes in several percentages reported. Specifically, at col. 9, lines 47-50, Example 6 identifies three percentages: 75%, 45%, and 75%. I believe that these percentages should have been written as 67%, 42%, and 50%, respectively. Also, at col. 9, line 46, Example 6 mistakenly refers to 'mixtures produced in Examples 3 and 4.'" U.S. Patent Appl. No. 10/430,435, Reissue Declaration, at ¶ 5 (filed May 7, 2003).

have been considered an “error” under § 251, thereby rendering irrelevant the Applicant’s intent. Whether provision of the dosage information would have been considered correction of an omission requiring mere disclosure or correction of a misrepresentation requiring satisfaction of *Rohm & Haas* could have been argued before the court. But under the Federal Circuit’s treatment, neither avenue for correction was available to the patentee.

The opportunity for prospective cure discussed in this article is admittedly narrow. Nonetheless, in view of the returning plague,<sup>254</sup> the proposed analysis is applicable to a number of fact patterns. In *Ferring v. Barr Labs.*,<sup>255</sup> inequitable conduct was premised on the failure to disclose the relationship between the patentee and several declarants whose affidavits were relied on to obtain the patent.<sup>256</sup> In *Hoffman-La Roche v. Promega*,<sup>257</sup> the Federal Circuit upheld the trial court’s findings of materiality and intent based on the implicit representation that an example described in the past tense was actually performed as written and the results described were actually obtained for that example.<sup>258</sup> In both cases a diligent patentee could have utilized a reissue application to present such facts to the PTO for consideration.<sup>259</sup> The application of the proposed analysis might well have led to an outcome more just to the patentee and more aligned with the public’s interest.

## V. CONCLUSION

Reissue applications are an important mechanism for post-grant corrections of patents. They are useful not merely for correcting concrete errors, but also for providing the PTO with information whose existence or import is newly discovered. In *Aventis v. Amphastar*,<sup>260</sup> the Federal Circuit declined to consider whether the applicant’s corrective action in prosecuting a reissue application should have affected the judgment of inequitable conduct. The

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254. See *supra* note 151.

255. *Ferring B.V. v. Barr Labs., Inc.*, 437 F.3d 1181 (Fed. Cir. 2006).

256. See *id.* at 1187-94.

257. *Hoffman-La Roche, Inc. v. Promega Corp.*, 323 F.3d 1354 (Fed. Cir. 2003).

258. *Id.* at 1363-68. However, the Court vacated the holding of unenforceability because the trial court, while finding both materiality and intent, had not determined whether, under all the circumstances, the severe sanction of holding the patent unenforceable was warranted. *Id.* at 1372.

259. This statement assumes a proper, independent basis for reissue existed.

260. *Aventis Pharma S.A. v. Amphastar Pharm., Inc.*, 525 F.3d 1334 (Fed. Cir. 2008).

authority the court relied on in its refusal to consider the reissue not only fails to support the court's position, but explicitly declines to even address it. Thus, there is not a "well-settled principle" that resolves the issue, but a void it is the court's duty to fill. This article suggests one possible analytical framework to fill that void; but however the court ultimately decides the matter, it must not avoid its responsibility to address it. With the return of the inequitable conduct plague, and the severity of such a judgment's consequences,<sup>261</sup> the stakes have never been higher.

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261. See *In re DDAVP Direct Purchaser Antitrust Litig.*, 585 F.3d 677, 684-92 (2d Cir. 2009) (holding that direct purchasers of a patented product have standing to bring a *Walker Process* claim against the patentee following a holding that the patent is unenforceable for inequitable conduct).

APPENDIX. CONCLUSIONS OF LAW IN *INTERMOUNTAIN RESEARCH*

As noted in the main article, MPEP § 2012 states: “[i]t is clear that ‘fraud’ cannot be purged through the reissue process. See conclusions of Law 89 and 91 in *Intermountain Research and Eng’g Co. v. Hercules Inc.*, 171 U.S.P.Q. 577, 631-32 (C.D. Cal. 1971).” Section III.E.1.a. asserts that the citations mustered to support this statement either simply do not support it, or the context in which they were cited do not support the PTO’s reliance on them. This *Appendix* justifies the assertion with a detailed analysis of the two conclusions of law.

A. *Conclusion of Law 91*

91. No valid patent can issue on the application filed to reissue the ‘695 patent. No such patent, if issued, is enforceable against the defendants here for the same reasons that the ‘695 patent is unenforceable against them. Conclusions of Law 5, 7, 10 to 14, 16 to 18, 76 to 79, 81 and 84; RSJ, Conclusions of Law 9 to 20; *Helen Curtis Industries v. Sales Affiliates*, 247 F.2d 940, 942, 946, 114 USPQ 469, 470, 472-473 (2 Cir. 1957); *B. F. Goodrich Co. v. American Lakes Paper Co.*, 23 F.Supp. 682, 684-5, 38 USPQ 69, 71-73 (D. Del. 1938); *Rancourt v. Panco Rubber Co.*, 67 F.2d 790, 19 USPQ 192 (1 Cir. 1933); *Mills Alloys v. Stooddy Co.*, 94 F.2d 413, 36 USPQ 287 (9 Cir. 1938), cert. den. 304 U.S. 573, 37 USPQ 844; *Vapor Car Heating Co. v. Gold Car Heating & Lighting*, 7 F.2d 284 (2 Cir. 1925), cert. den. 268 U.S. 705.<sup>262</sup>

The *Intermountain Research* court’s opinion regarding the enforceability of a patent granted on the pending reissue application at issue was informed by its understanding of the factual deficiencies shared by the underlying patent and the reissue application.<sup>263</sup> The court’s citations to the above cases support its conclusion concerning the application to reissue the Re’695 patent, but do not support the PTO’s broader reliance on them.

*Rancourt v. Panco Rubber Co.* and *B.F. Goodrich Co. v. American Lakes Paper Co.* each concerned reissue in the context of *res judicata*.<sup>264</sup> In each case, the reissue plaintiff was estopped from

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262. *Intermountain Research & Eng’g Co. Inc. v. Hercules, Inc.*, 171 U.S.P.Q. 577, 632 (C.D. Cal. 1971).

263. See *supra* Part III.E.1.a.

264. See *Rancourt v. Panco Rubber Co.*, 67 F.2d 790, 792 (1st Cir. 1933); *B.F. Goodrich Co. v. American Lakes Paper Co.*, 23 F. Supp. 682, 684-85 (D. Del. 1938).

asserting infringement of the reissue patent by an earlier judgment that the original patent was invalid. In *Rancourt*, the district court had previously held the original patent invalid “as containing no patentable invention.”<sup>265</sup> The patentee did not appeal the ruling, but thereafter obtained a reissue patent and brought an equivalent infringement action.<sup>266</sup> The district court held that the issue of the patent’s invalidity was barred by *res judicata*, and dismissed the action.<sup>267</sup> The First Circuit affirmed after the district court’s finding on remand that “the invention described in the reissue patent was the same as that described in the original patent,” stating that “[c]learly a reissue patent for the same machine involving the same invention cannot avail the plaintiff in a new suit.”<sup>268</sup>

Similarly, in *B.F. Goodrich*, in an action for infringement of the original patent, the district court had held the patent invalid for prior use and for “not disclos[ing] invention over . . . the prior art,” a ruling affirmed by the Seventh Circuit.<sup>269</sup> The patentee subsequently obtained a reissue patent, and in the considered action for infringement of the reissue patent the court analyzed the effect of the prior judgment.<sup>270</sup> Finding that the parties in suit were the same as in the earlier litigation, and that the reissue claims did not differ from the original claims in any material respect, the court held that the earlier decision holding the original patent invalid was *res judicata* between the parties with respect to the reissue patent.<sup>271</sup>

Like *Intermountain Research*, both *Rancourt* and *B.F. Goodrich* are fact-specific cases. It is notable in *Rancourt* that the First Circuit did not affirm the district court’s dismissal until the court determined, after remand, that the invention in the reissue was the same as that in the original patent.<sup>272</sup> Similarly, the *B.F. Goodrich* court specifically made a finding that the reissue claims did not differ from the original claims “in any material respect” before holding that *res judicata* applied.<sup>273</sup> These are recognitions of factual matters—that the reissue

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265. *Rancourt*, 67 F.2d at 792. The First Circuit also considered whether the reissue had been timely filed, and affirmed the district court’s dismissal on this ground. *Id.*

266. *Id.* at 791.

267. *Id.*

268. *Id.*

269. *B. F. Goodrich Co.*, 23 F. Supp. at 683.

270. *Id.* at 683-85.

271. *Id.* at 685.

272. *Rancourt*, 67 F.2d at 791.

273. *B.F. Goodrich Co.*, 23 F. Supp. at 685.

patents *did not* differ in material respects, not that they *could not* differ in material respects—much less that any such inquiry into the nature of their differences would be inconsequential. On the contrary, the careful inquiry into the nature of their differences (or lack thereof) suggests that the factual considerations were dispositive.

*Helene Curtis Indus. v. Sales Affiliates* concerned not a reissue patent but rather a continuation-in-part (“CIP”), and, similar to *Rancourt* and *B.F. Goodrich*, the issue was one of issue preclusion rather than fraud.<sup>274</sup> In a declaratory judgment action, a district court held the initial patent invalid, adopting the Special Master’s recommended grounds of “inadequate disclosure, lack of invention, anticipation and indefiniteness.”<sup>275</sup> The court further enjoined the patentee from bringing suit or threatening to bring suit for infringement of the patent against the declaratory judgment plaintiffs or their customers.<sup>276</sup> Later, an earlier-filed CIP of the initial patent<sup>277</sup> was transferred from the patentee to a shell corporation, and the application eventually issued as the CIP patent.<sup>278</sup> The shell company sued the original plaintiffs’ customers for infringement of the CIP patent.<sup>279</sup>

At trial, the accused infringers’ allegations were that the CIP patent was invalid for the same reasons as the initial patent, and that the infringement suits by the shell company were simply a scheme to circumvent the injunction.<sup>280</sup> Notwithstanding the Special Master’s findings regarding invalidity, the district court, citing the presumption of validity attaching to each patent, decided that the validity of the CIP patent must be “litigated anew in a plenary suit.”<sup>281</sup> The Second Circuit disagreed, and held that if the district court confirmed the findings that the CIP patent was invalid for substantially the same reasons as the initial patent, and that the shell corporation was “a mere alter ego” of the initial patentee, then the district court should issue an appropriate supplemental injunction.<sup>282</sup> As with the

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274. See *Helene Curtis Indus., Inc. v. Sales Affiliates, Inc.*, 247 F.2d 940, 942 (2d Cir. 1957).

275. *Id.* at 943.

276. *Id.*

277. That is, a CIP of the application that issued as the initial patent.

278. *Helene Curtis*, 247 F.2d at 943.

279. *Id.*

280. *Id.* at 943-44.

281. *Id.* at 944.

282. *Id.* at 945-46.

previously discussed cases, this case supports *Intermountain Research's* reliance on it insofar as factual issues are concerned, but the PTO's employment of it in the context of purging fraud through reissue must fail.

Like *Helene Curtis*, neither *Mills Alloys* nor *Vapor Car Heating* concerned reissue, but rather each addressed the effect of an earlier ruling on a patent related to the patent-in-suit. In *Mills Alloys*, the Ninth Circuit had earlier held the claims in a patent to a welding rod "void for lack of invention."<sup>283</sup> In the action at issue, the Special Master had determined that the patent-in-suit, which was directed to the use of the welding rod for its described purpose, was valid over the defendant's assertion that *res judicata* demanded its invalidity.<sup>284</sup> In reversing, the appeals court looked to matters of fact:

One of the issues in the former case was the *factual* one of invention. . . . whether the proposed use of the welding rod was new or old was inherent in the question of invention in the welding rod itself. . . . *where the litigation in each case turns upon the question of the novelty of the manner of use, the adjudication of invalidity of the process (or manner of use) patent follows as an inevitable conclusion from the finding of lack of novelty in the product patent. . . .* [The lack of invention in the process claims] was conclusively established by the prior finding and decree.<sup>285</sup>

Even if *res judicata* did not apply, the court continued, they would "now point out some of the *facts* of prior use in proof herein *which would cause us to adhere to our former ruling.*"<sup>286</sup>

*Vapor Car Heating Co. v. Gold Car Heating & Lighting* was decided on the same principle.<sup>287</sup> The patentee had earlier sued the defendant for infringement of a patent directed to a low pressure heating system, and at trial the relevant claims were held invalid over the prior art.<sup>288</sup> In the infringement action under review, the patent-in-suit was directed to a method of heating using the same apparatus claimed in the earlier, invalidated patent.<sup>289</sup> In holding the claims at issue invalid, the Second Circuit restricted its inquiry to the facts:

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283. *Mills Alloys, Inc. v. Stoodly Co.*, 94 F.2d 413, 413-14 (9th Cir. 1938).

284. *Id.* at 415.

285. *Id.* (emphasis added).

286. *Id.* at 417 (emphasis added).

287. *See Vapor Car Heating Co., Inc. v. Gold Car Heating & Lighting Co.*, 7 F.2d 284 (2d Cir. 1925).

288. *Id.* at 288.

289. *Id.* at 286-87.

The earlier patent has been adjudicated void, and it is argued by the appellee that it is res adjudicata as to the method patent. Both patents are based on [the same mechanism, the same construction and parts, alike descriptions of the apparatus and its operation and] . . . are both concerned with the vapor system of steam heating. The apparatus operates necessarily according to this vapor system. The operation of the apparatus patent is all that is described in the claims of the patent in suit. . . . Because the essential fact at issue in the present case is the same as that which was decided in appellee's favor in a previous case, the conclusion follows that the question is res adjudicata . . . .

[I]n the former suit the ultimate point decided . . . rested upon the ground that the vapor system was old, being anticipated by the prior art . . . and [thereby] covered the precise point which would have been decided if the patent for the art now sued upon was before the court.<sup>290</sup>

### B. Conclusion of Law 89

89. The procurement of the '695 Reissue Patent by fraud on the Patent Office cannot be cured by application to the Patent Office to reissue the '695 patent. 35 U.S.C. § 251; *Staude v. Bendix Products Corporation*, 26 F.Supp. 901, 41 USPQ 571 (N.D. Ind. 1939), aff'd, 110 F.2d 484, 44 USPQ 633 (7 Cir. 1940). To be entitled to reissue a patent, "the patentee must be guilty of no fraud or deception". *Wichita Visible Gasoline Pump Co. v. Clear Vision Pump Co.*, 19 F.2d 435 (8 Cir. 1927), cert. den. 275 U.S. 530; *National Nut Co. v. Sontag Chain Stores Co.*, 107 F.2d 318, 43 USPQ 302 (9 Cir. 1939), rev'd on other grounds, 310 U.S. 281, 45 USPQ 448 (1940).<sup>291</sup>

As with Conclusion of Law 91, the cases cited in Conclusion of Law 89 fail to support the PTO's broad statements. While the cases in the previous Conclusion supported the district court's usage as a factual matter, and only as a factual matter, the cases in Conclusion 89 simply miss the point. Each case is now discussed in turn.

*Staude v. Bendix Products Corp.* considered enforcement of a reissue patent claim against an accused infringer.<sup>292</sup> The defendant asserted both non-infringement and that the reissue patent was void as

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290. *Id.* at 286-87.

291. *Intermountain Research & Eng'g Co, Inc. v. Hercules, Inc.*, 171 U.S.P.Q. 577, 631. (C.D. Cal. 1971).

292. *See Staude v. Bendix Prod. Corp.*, 26 F. Supp. 901 (N.D. Ind. 1939).



having been “improvidently granted.”<sup>293</sup> The ground for the second contention was not recited, other than the assertion that “it did not comply with the United States statutes and rules of practice of the Patent Office.”<sup>294</sup> Holding that the defendant did not infringe the patent, the court found it unnecessary to address the contention of improper grant.<sup>295</sup> Nevertheless, in *dictum*, the court stated that “where the reissue is improvidently and illegally granted or where it is tainted with fraud, it is void ab initio, and a claim even though brought forward from the original patent goes out with the reissue.”<sup>296</sup> However, the court’s language is not specific to fraud occurring during prosecution of the original application. On the contrary, the context of the statement—that the reissue was “tainted with fraud”—implies, if anything, that the fraud was appurtenant to the reissue itself. Either way, this case does not address whether reissue can cure fraud committed during prosecution of the original application.

*Wichita Visible Gasoline Pump Co. v. Clear Vision Pump Co.* and *National Nut Co. v. Sontag Chain Stores Co.* each considered the propriety of a reissue patent sued upon.<sup>297</sup> Addressing the grounds for reissue, the *Wichita* court explained:

The ground upon which reissue is permissible is inadvertence, accident, or mistake. . . . Of course, the patentee must be guilty of no fraud or deception. If the only object of the reissue is to enlarge the claims, in order to embrace a noninfringing device which has come into legitimate use, the reissue is not justified, at least on that ground alone . . . and this also bears upon the question of whether application was made within a reasonable time . . . .<sup>298</sup>

The court held the reissue improper, stating that “the reissue was not applied for within a reasonable time, nor upon a legitimate ground”<sup>299</sup> and “its object was to stifle competition from this source.”<sup>300</sup> The court specifically noted that “[i]t was not until [the plaintiff]

293. *Id.* at 902.

294. *Id.* at 903.

295. *Id.* Appropriately, the Seventh Circuit’s opinion affirming the district court did not discuss the fraud allegation, and instead discussed only infringement. *See Staude v. Bendix Prod. Corp.*, 110 F.2d 484, 484-85 (7th Cir. 1940).

296. *Staude*, 26 F. Supp. at 903.

297. *See Wichita Visible Gasoline Pump Co. v. Clear Vision Pump Co.*, 19 F.2d 435, 436 (8th Cir. 1927); *Nat’l Nut Co. v. Sontag Chain Stores Co.*, 107 F.2d 318, 321 (9th Cir. 1939).

298. *Wichita*, 19 F.2d at 438.

299. *Id.*

300. *Id.*

discovered [the defendant's] device that it took any steps to make its patent cover [the defendant's] structure."<sup>301</sup>

Similarly, in *National Nut*, the defendant alleged impropriety<sup>302</sup> of the reissue on several grounds, namely, that "the error in the original did not arise from 'inadvertence, accident, or mistake' as required by the statute... that the reissue was for a 'different invention;' that the original patent was not 'inoperative;' and that 'fraudulent or deceptive intent' was not absent in the application for reissue."<sup>303</sup> The court summarily dispensed with the allegation of fraud:

Defendant . . . contends that since the application for reissue was filed after the first suit herein was instituted,<sup>304</sup> and after it was discovered that the original claims were not broad enough to include defendant's device, that fact is evidence of "fraudulent or deceptive intention." We do not agree with defendant in this contention.

We find no evidence in the record indicating a fraudulent intent on the part of the patentee in unnecessarily limiting the claims in his original application.<sup>305</sup>

Neither case thus supports the broad proposition attributed to it by the *Intermountain Research* court. No issue of fraud was discussed in *Wichita*, and the declaration of the need for the patentee to be free of fraud and deception can be fairly read as reciting no more than what the statute requires, namely, that "the error has arisen by inadvertence, accident, or mistake, and without any fraudulent or deceptive intention . . . ."<sup>306</sup> This is especially evident in the *National Nut* court's discussion of the allegation that the patentee's asserted error did not arise from "inadvertence, accident, or mistake":

[I]t is obvious that the words 'inadvertence or mistake' are used in the statute as the antitheses to 'fraudulent intent', and that in the

301. *Id.*

302. The opinion refers to the "invalidity" of the reissue. However, the stated allegations are clearly directed at the propriety of the reissue, although the defendant also raised the defenses of "anticipation and the prior art." *Nat'l Nut*, 107 F.2d at 330.

303. *Id.*

304. The patentee initially brought suit for infringement of the original patent. Shortly thereafter, the patentee filed for and obtained a reissue patent, which was then substituted (in effect) for the original patent. *Id.* at 321.

305. *Id.* at 331.

306. *Id.* at 330 n.2. Admittedly, the citation refers to the statute as amended the year after the *Wichita* decision, but nonetheless includes the relevant requirement.

absence of fraud the failure of an inventor or his solicitor to put the claims in such form as will cover the entire invention is 'inadvertence', within the meaning of the statute . . . .<sup>307</sup>

Thus, the only "fraud" at issue in *National Nut* was the patentee's conduct in presenting claims in reissue broad enough to encompass the defendant's device after filing suit on the original patent. This is not fraud or inequitable conduct as understood today.<sup>308</sup>

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307. *Id.* at 330-31.

308. See MOY, *supra* note 64, at § 16:105.